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Advertising Age

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Where are you going, Charlotte?

By Gary Levin and Scott Hume

Beers

Where will Charlotte Beers land?

The answer is: Probably at a New York agency.

The career plan of the former Tatham/RSCG ceo was Madison Avenue's biggest guessing game last week.

"It's likely that I will join with another agency, but absolutely no agreement has been reached with any other agency," Ms. Beers told *Advertising Age*. "I've had serious dialogues with some people in the industry, but no decision has been reached."

It is believed by some that Ms. Beers already has sewn up her next career move but just isn't telling. That's because Ms. Beers

(Continued on Page 58)

McD's may be fried by database rental

By Scott Hume

McDonald's is stepping into database marketing, and it could stub its toe.

In an area covering eastern Maryland and southern New Jersey and parts of Delaware, McDonald's Corp. restaurants are inviting customers to join the McDonald's VIP Club by filling out a form with their name, address, home phone number, sex and birth date.

Members are promised a membership card, special offers on their birthday, a newsletter and McDonald's coupons by mail.

But they may receive more than they bargained for.

Qualified Lists Corp., which is compiling the database for McDonald's, is offering to rent the list to outside parties.

The list-management company last week placed an ad in trade publication *DM News* announcing availability of the membership list for rental by companies that could use it for solicitations.

The ad says lists could be broken out for "insurance, publications, catalogs & opportunity seekers."

The experiences of Blockbuster Entertainment Corp., Lotus Development Corp. and others have shown list rental to be a sensitive issue with consumers.

A Dec. 26, 1990, article in *The Wall Street Journal* saying Blockbuster planned to rent lists of customer rentals at its video stores stirred up an immediate controversy. Federal law forbids video stores from disclosing information on movies customers rent, and Blockbuster quickly denied it had any plans to rent out names.

Lotus pulled its planned Lotus:

(Continued on Page 58)

Maharishi Veda Land, a 1,400 acre theme park at Niagara Falls, is being planned by Maharishi Mahesh Yogi (l.) and magician Doug Henning.

Meditate on this: New park would have yogi theme

By Barry Brown

Niagara Falls, home of honeymooners and kitsch, will soon get its very own transcendental theme park.

Canadian magician Doug Henning and Maharishi Mahesh Yogi, the founder of the Transcendental Meditation movement, are planning a 1,400 acre, $690 million theme park just down the road from the falls. Mr. Henning said $42 million has been budgeted for ads and promotion before the park opens, and $11 million annually once the park gets going.

The park is searching for an ad agency, said Rick Weberg VP of Maharishi Veda Land Canada Inc., Toronto.

Maharishi Veda Land Canada has already spent more

(Continued on Page 62)

INSIDE

One on one: Rupert Murdoch lays out his blueprint for what's ahead at Fox. **Page 26.**

TV winners: Ad Age presents the 'Best of 1991' TV finalists. **Page 18.**

Automotive Marketing: Carmakers adapt for the '90s. **After Page 32.**

LAST MINUTE NEWS

Puris may join Bush team

NEW YORK—Ammirati & Puris President Martin Puris is the leading contender to take over the top spot on President Bush's campaign ad team, several sources said. Mr. Puris, a longtime acquaintance of Bush campaign Chairman Robert Teeter, had acknowledged meeting with Mr. Teeter. Mr. Puris, who previously said he wouldn't be able to leave his agency, now said he might be able to work out a scenario that would let him stay in touch with his agency's work while devoting more and more time to the campaign.

'Corporate Computing' delayed

FOSTER CITY, Calif.—Ziff-Davis Publishing Co. is delaying the official launch of *Corporate Computing* to mid-June from May 18, when the heavily promoted magazine was to have been released at a trade show. The first issue will circulate in June and July, with the magazine beginning monthly distribution with the August issue. Ziff-Davis cited unexpected delays in getting computers into

(Continued on Page 8)

Bailout for Mediators

Barter media rivals may join to settle debts

By Joe Mandese

NEW YORK—Leading barter media companies are banding together to propose a multimillion-dollar bailout for the Mediators, the financially troubled barter media company.

The group is making the unusual move in an attempt to salvage the barter media industry's reputation, severely damaged by negative publicity surrounding questionable business practices by the Mediators. The company filed for Chapter 11 bankruptcy protection Sept. 13.

Media companies, including TV and radio stations and radio and cable networks, are owed more than $30 million for time they provided for the Mediators' clients.

The Mediators also owes several clients $90 million for barter goods and services provided to the company for media credits that were never delivered.

The bailout group comprises members of the Corporate Trade Council of the International Reciprocal Trade Association, which represents most major barter media companies.

Companies represented include Active Media Service, Atwood Richards Inc., CSI International Corp., International Remarketing and Tradewell International, all New York.

The association's ethics policy committee recently passed a resolution approving the bailout plan and is expected to offer the proposal this week to attorney David Dykhouse, a partner at Patterson, Belknap, Webb & Tyler.

The law firm represents a creditors committee made up of media companies owed money by the Mediators. Capital Cities/ABC Co. is believed to be the largest media creditor.

"We have passed the resolution and we are working on a proposal," said Midge Tyner, chairman of Tradewell, who serves as ethics policy committee chairwoman. She referred all other questions to Mr. Dykhouse, who couldn't be reached for comment.

Media companies on the creditors committee say they've had discussions with several

(Continued on Page 60)

NEWS SUMMARY

■ **McDonald's Corp.** is getting into database marketing via a McDonald's VIP Club in three Eastern states, but attempts to rent the list could prove troublesome. 1

■ **Barter media** companies have joined to propose a bailout for the Mediators, a barter media company under bankruptcy protection. 1

■ **H.J. Heinz Co.** says it will continue to shift marketing dollars from advertising to trade promotions. 3

■ **Cross-media** venture by *Newsweek* and MTV was scrapped; a Hearst/Family Channel plan was postponed. 3

■ **A&W Brands** will feature the Joe Isuzu and Fruit of the Loom characters in its root beer ads. 3

■ **MCI** will team with *Family Circle* in a new promotion for its "Friends & Family" discount calling plan. 4

■ **Coors** plans a summer promotion similar to Coca-Cola's ill-fated 1990 MagiCan promotion. 4

COMPANY INDEX

The following marketers, media and ad agencies received significant mentions in this issue of *Advertising Age*. (This list excludes Last Minute News, For the Record and other news briefs.)

"The Advocate" 36
Anheuser-Busch 53
BankAmerica Corp. 60
A&W Brands 3
BBDO Worldwide 57
"BLK" 38
Bozell 38
Bristol-Myers Squibb Co. 48
Brooks Shoe Co. 49
Burger King Corp. 58
Cadillac 43
Carillon Importers 46
CBS 38, 43
Cereal Partnership Worldwide 33
Chesebrough-Pond's 48
Chrysler Corp. 3-46
Coca-Cola Co. 4, 33
Colle & McVoy 41
Coors Brewing Co. 4
Helene Curtis Industries 48
Della Femini, McNamee 57
Dentsu 12
Dep Corp. 48
Walt Disney Co. 33, 52
Domino's Pizza 2
Eastman Kodak Co. 33
Family Channel 3
"Family Circle" 4
Foote, Cone & Belding 4
Ford Motor Co. 3-44
Fox Broadcasting Co. 4, 38
Frankfurt Gips Balkind 3
Frito Lay 57
The Gap Inc. 2
General Foods USA 13
General Mills 13
General Motors Corp. 3-24, 3-34
General Rent-A-Car 12
"Genre" 38
GeoSystems 36
Gillette Co. 48
Glidden Co. 59
"Harper's Bazaar" 41
Hasbro 52
Hearst Magazines 3
H.J. Heinz Co. 3
Hewlett-Packard Co. 36
Holiday Inn Worldwide 12, 36
"Home Office Computing" 41
Hospitality Franchise Systems 36
Hunt-Wesson 13
IBM Corp. 33, 36
Intrico 36
ITT-Sheraton Corp. 36
Jeep/Eagle 49
Judy Corp. 52
Kaebler Co. 56
Kenner Products 52
Ketchum Advertising 60
Kupper Parker Communications 52
Loyalty Management Group 47
LucasArts Licensing 4
McDonald's Corp. 1
Madison Square Garden Network 56
Maharishi Veda Land Canada Inc. 1
Matsushita Electrical Industrial Co. 51
Mattel 52
Mazda Motor of America 49
MCI Communications Corp. 4
The Mediators 1
Microsoft Corp. 36
Middle East Broadcasting Center 56
Mennen Co. 48
Kevin Morley Group 59
MTV: Music Television 3
Musicland Group 51
NBC 4, 43
Nestle 50
Nestle 33
"Newsweek" 3
Nynex Information Technologies 36
"NYQ" 36
Ogilvy & Mather 1
Pabst Brewing Co. 13
Paramount Pictures Corp. 4, 51
PepsiCo Wines & Spirits 46
Petersen Publishing Co. 56
Philips 33
Phillips Petroleum Co. 46
Playmate Toys 52
Prime Ticket Network 56
Procter & Gamble Co. 2, 43, 48
Promus Cos. 36
Renault Vehicules Industriels 33
Hal Riney & Partners 41, 52
"Rolling Stone" 59
Rover Group 59
Sherwin-Williams Co. 59
Source Perrier 59
Start Inc. 47
Stroh Brewery Co. 52
Subway Sandwiches & Salads 51
Stroh Brewery Co. 13
Tatham/RSCG 1
Thomson Consumer Electronics 41
Toyota Motor Sales USA 3-14
Toys "R" Us 33
Travelodge 51
TV Answer 36
Tyco Toys 52
Wolverine World Wide 49

DEPARTMENTS

Ad Review 62
James Brady 28
Brady's Bunch 48
Classifieds 54
Con-Sid-erations 24
Rance Crain 3
Editorials 24
For the Record 57
Forum 28
International News 33
Letters 28
MediaWorks 30
New Products 13
People Moving 41
Photo Review 42
Special Report: Automotive Marketing ... after 32
Technology News 36
The Next Trend 28

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Media spending falls 8.1%; P&G still on top

By Julie Liesse

U.S. measured media spending last year fell 8.1% to $37.8 billion, reflecting corporate belt-tightening and the recession, figures released last week by LNA/Arbitron Multi-Media Service showed.

The nation's top 10 advertisers cut spending 5.2%, while spending by the top 25 fell 4.5%.

Although No. 1 Procter & Gamble Co. has said it's trying to return promotion dollars into media spending, that wasn't the case last year: The package-goods and cosmetics marketer's media spending fell 4.7%.

The two biggest percentage declines among the top 10 were by No. 10 AT&T Co., down 22.5%, and No. 6 Sears, Roebuck & Co., down 21.7%. Moving into the top 10 was No. 8 General Mills, up 3.1%.

The spending drops may reflect a shift to less-expensive media rather than less advertising. Sears, for instance, spent 35% less on newspaper advertising, benefiting from contract renegotiations with major chains; the retail and financial services giant also moved money out of network TV and into cable and spot TV.

Network radio, newspapers and network TV were the biggest losers in overall spending, while spending on syndicated and cable TV was up. Newspaper spending fell 23.2% to $6.8 billion; magazine expenditures were down 3.3% to $6.5 billion.

While network TV fell 6.7% to $9.46 billion, syndicated TV jumped 16.6% to $1.85 billion and cable TV rose 9.1% to $1.2 billion.

Network radio fell 24.5% to $578.5 million.

McDonald's Corp., one of the largest network TV buyers, cut network spending 25% to $171.8 million, and fell out of the top 10 to No. 11.

Other notable changes among the top 25 advertisers included big increases by two pharmaceuticals marketers: No. 20 American Home Products Corp. was up 24% to $290.6 million, while No. 14 Johnson & Johnson increased spending 21.7% to $371.1 million.

Especially large drops were chalked up by two package-goods giants: No. 17 Grand Metropolitan's spending fell 18.8% to $326.7 million, while No. 21 RJR Nabisco was down 18.3% to $285.5 million. □

Top 10 national advertisers

Spending figures for the top 10 advertisers for 1991. Dollars are in millions.

Rank '91 ('90)	Advertiser	1991 spending	% chg
1 (1)	Procter & Gamble Co.	$1,166.5	−4.7
2 (2)	Philip Morris Cos.	$1,110.4	−7.4
3 (3)	General Motors Corp.	$1,056.5	−4.0
4 (5)	PepsiCo	$542.0	−0.9
5 (7)	Ford Motor Co.	$517.7	9.8
6 (4)	Sears, Roebuck & Co.	$462.3	−21.7
7 (10)	Toyota Motor Corp.	$442.5	8.8
8 (11)	General Mills	$419.1	3.1
9 (9)	Chrysler Corp.	$414.8	0.5
10 (6)	AT&T Co.	$391.7	−22.5

Percent change compares 1991 to 1990. Source: LNA/Arbitron Multi-Media Service

Ads become sitcoms

Domino's fights for share

By John P. Cortez

Domino's Pizza is using a familiar sitcom face in its new "mini-sitcom" ad strategy that breaks in April.

Bronson Pinchot of ABC's "Perfect Strangers" will star in a series of seven TV spots from Grey Advertising, New York.

Steve Novick, exec VP-director of creative services at Grey, described the commercials as "mini-sitcoms."

"We're taking the 23-minute sitcom and shrinking it down to a 30-second format," he said.

The new campaign is designed to revive sales for Domino's, which last year reported its first decline ever—nearly 10% to $2.4 billion.

Domino's will also use the advertising to fight off Pizza Hut's foray into home delivery. In five years of limited regional delivery, PepsiCo's Pizza Hut has won 20% of the estimated $6 billion home delivery segment. Since 1989, Domino's share of the segment has dropped 10 points to 46%.

Though Mr. Novick said some 15-second spots would be a part of the campaign, the first spot is a :30 that features Mr. Pinchot, as himself, using Domino's to capture the attention of a young woman. He intentionally has a pizza delivered to the wrong address so he can set up a rendezvous to recover it.

The other spots will follow the same concept, Mr. Novick said, showing Mr. Pinchot teaming with Domino's to solve a dilemma or achieve an ulterior motive.

Bronson Pinchot will star in Domino's "mini-sitcoms."

The spots are an evolution of the campaign's first phase that broke last September. The earlier commercials will be phased out, along with celebrities who appeared in them, including comedian Larry "Bud" Melman and Indiana University basketball coach Bob Knight. Mr. Pinchot will be the only celebrity involved in Domino's spots this year, Mr. Novick said.

The "Nobody knows like Domino's" slogan continues. □

Gap unit's ads hike to N.Y.

By Bradley Johnson

There's now a 2,900-mile gap between the Gap and Banana Republic.

The Gap Inc. last week moved advertising for its higher-price Banana Republic chain to a new house agency in New York from the Gap's San Francisco in-house shop. Main operations for Banana Republic remain in San Francisco.

Last week, Sam Shahid, formerly creative director at CRK Advertising, Calvin Klein's in-house agency in New York, joined Banana Republic as VP-creative director, a new post. He will oversee a seven-person creative department.

Previously, Banana Republic advertising was managed by Magdalene Gross, senior VP-creative director with the Gap, the company's fast-growing flagship retail operation known for its stylish print ads and basic but trendy T-shirts and jeans.

Mr. Shahid said the ad shift culminates a makeover at Banana Republic, which has moved away from the safari look of the '80s to more fashionable apparel.

But the revamped Banana Republic tends to look like a high-price Gap. And, Mr. Shahid acknowledged, Banana Republic ads look like the Gap's.

Last year, Banana Republic spent $3.9 million on measured media, according to LNA/Arbitron Multi-Media Service, while the Gap spent $15.2 million.

Banana Republic's marketing challenge, Mr. Shahid said, is to create an image and advertising look that is distinct from the Gap. The first campaign from the new house agency will break this fall. □

A JOINT REPORT BY AUTOMOTIVE NEWS AND ADVERTISING AGE

AUTOMOTIVE MARKETING

March 30, 1992

WHERE CAR MARKETERS ARE HEADED

Exclusive J.D. Power survey uncovers media shifts and future direction

AUTOMOTIVE MARKETING

About this report

After a decade in which quality drove the automobile market and Detroit's Big 3 chased the Japanese, vehicles now are essentially at par, according to J.D. Power & Associates, the guru of customer satisfaction. Detroit needs to get that message to buyers. Japanese importers need to hold on to customers without the advantage of being patently superior. Europeans, caught in the crossfire, must retain their niches. For each, marketing is ever more essential.

To examine marketing tactics and trends for model years 1992 through 1996, *Automotive News* and *Advertising Age* commissioned J.D. Power to conduct a proprietary survey of top marketing executives at auto companies and their agencies. Then, nearly two dozen veteran reporters and editors were assigned the task of finding out more—in Chicago, Detroit, Frankfurt, London, Los Angeles, Nashville, New York and Tokyo.

Advertising Age and *Automotive News*, news leaders in their respective industries and sister publications within Crain Communications Inc., combined forces for this Special Report. Average paid circulation for *Advertising Age* is 85,163; for *Automotive News*, 77,620. The report is part of both publications; we hope you find it profitable.

From the survey:

- **Don't sell ragtops** in a blizzard, and other lessons in learning regional tastes. **S-4**
- **'Safety first'** is no longer a crash course when it comes to developing ad message. **S-4**
- **As carmakers** cut costs, nagging incentives should come under control by mid-decade. **S-8**
- **Attention to** basics and ability to follow through wins admiration for Toyota. **S-14**
- **Respondents expect** six auto account reviews in the next two years. **S-16**
- **Cross-media packages** are easy to covet but hard to connect. **S-22**
- **All signals** look green, as environment concerns move to the front. **S-34**

J.D. Power & Associates in November and December 1991 surveyed the top advertising executives at 33 automotive manufacturing or marketing companies and a similar number of high-ranking executives at ad agencies serving them. A total of 206 executives were contacted; 71 responded. Responses were anonymous, but they reflected the desired mix: just under half were from agencies and just over half were from marketers. Some 46% represented Asian nameplates, 30% work for the Big 3 and 24% work for European nameplates.

Also inside:

- **Ignore the whining;** Big 3 get the hint and are listening to the constituency. **S-8**
- **The young copywriters** behind the agency wheels of some 'hot car' ads. **S-14; S-30; S-42; S-44**
- **From Acura to Volvo,** a complete list of carmakers, their agencies and ad themes. **S-17**
- **After the disastrous** '80s, The General prepares for the counterattack. **S-24**
- **Critical auto** issues vary by location; we take a region-to-region pulse. **S-24; S-26; S-50; S-51**
- **In Europe, image** is everything or, as exec says, 'Lexus, Infiniti are fantastic but lack class.' **S-52**

Editorial credits

Edited by Adrienne Ward and designed by Geoffrey Shives, under the direction of Larry Edwards and Bill Diem. Chart work by Charlotte Winter, Martha Gratton and David Burhans. Cover photograph: Chris Minerva/Telephoto. Have a comment or question? Write or fax: Bill Diem, *Automotive News*, 1400 Woodbridge, Detroit 48207; Fax 313-446-0383, or Larry Edwards, *Advertising Age*, 740 Rush St., Chicago 60611; Fax 312-649-5331.

Inventing rules in unusual market

Tradition goes out the window as carmakers try anything to win in a 'replacement' category

By Raymond Serafin

Philip Guarascio's ideal marketing plan looks something like this: He'd park a General Motors Corp. vehicle in front of the home of anyone in the market for a new car or truck and hand over the keys for a trial spin.

"If I have a 70% assurance that you're going to buy a car in the next month, and I know you'll buy a compact sedan, and I have a fair shot at you [considering a GM product], then even though it would be expensive to get the car to your house, this could be the most efficient thing I could do," says Mr. Guarascio, GM's executive-in-charge of corporate marketing and advertising.

That sort of auto marketing isn't as farfetched as it might seem.

As auto companies and their agencies develop more information about consumers' buying patterns, lifestyles and media habits, the rifle-shot approach to marketing continues to grow—often at the expense of traditional media.

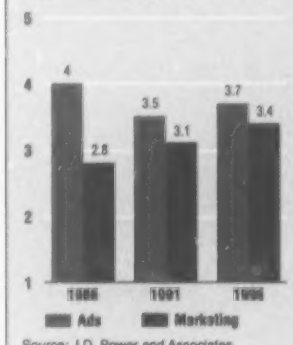
Strategies are in for a drastic change, according to an exclusive survey of key automotive marketing decision-makers conducted for *Automotive News* and *Advertising Age* by J.D. Power & Associates.

About three-fourths of automotive marketing dollars, excluding dealer and consumer incentive programs, are allocated to media placements, the survey found.

But while automakers per-

Marketing vs. ads

How effective are media advertising and marketing promotion? Respondents used a 1 to 5 scale (5 is most effective).



Source: J.D. Power and Associates

Marketing execs itch to fill the right niche

A veritable banquet of media choices awaits the forward-thinking car company

By John P. Cortez

As media choices multiply, automakers are picking their niches more than ever before.

According to the J.D. Power & Associates survey of automakers and their agencies, the use of niche media will continue to grow. Of those surveyed, 90% said niche media will be more important in the next five years, while 67.2% said mass media will grow less important.

Niche-media programs include direct mail, product-oriented videocassettes, rental cassette and movie theater commercials, "place-based" media in airports or grocery stores and advertising on computer information services such as Prodigy.

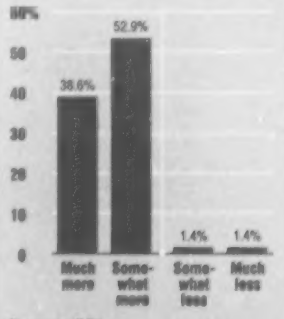
It's difficult to figure how much money automakers are devoting to niche-media programs in general. As one example, General Motors Corp.'s Buick division devoted about 40% of the ad budget for its Roadmaster launch to such an effort.

McCann-Erickson Worldwide, Troy, Mich., agency for Buick, used a technique dubbed "McMapping" to target 4,900 specific ZIP codes for a magazine buy last year, and more recently used an incentive program for the Buick LeSabre in which targeted magazine subscribers received an ink-jetted card offering them a free video for taking a test drive.

"McMapping" allows the marketer to better understand the individual consumer through a five-step process that comprises demographic and lifestyle analyses, synthesized and tested data, and details of consumers' media choices, says Karen Ritchie, senior VP-director of media services at

Database marketing, 1996

How important will it be? Percentage of respondents who answered . . .

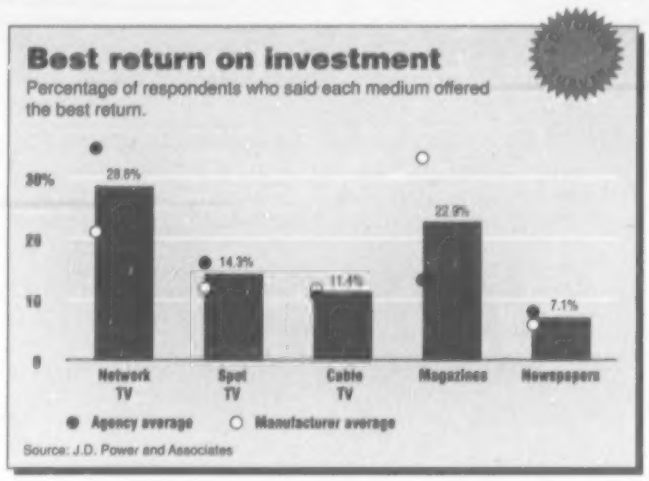


No answer: 5.7%

Source: J.D. Power and Associates

ceive media advertising as somewhat more effective than promotional efforts, they believe the differences have narrowed over the last five years and will continue to narrow in the next five years, according to the Power survey.

Automakers' changing strategies are blurring all the old distinctions in media. Advertisers and agencies are attempting to integrate various marketing tools, with less regard to fixed notions about the value of traditional advertising vs. disciplines such as sales promotion, direct marketing, event sponsorships and PR.



Influence budgets

At GM, marketing divisions don't have ad budgets; they have "consumer influence" budgets.

"The way we define media is that it's all the tools or processes that let us create a communications link with the consumer," says Mr. Guarascio. Delivering a test car to a prospect's door thus becomes a media tactic.

Similarly broad attitudes about media are becoming widespread through the auto industry.

"There isn't one simple rule that applies to our media strategy," says James Julow, manager-advertising and media relations at Chrysler Corp.

Several converging factors make it more important than ever that auto marketers effectively use media even as it becomes more complex to develop successful media strategies.

The U.S. auto market has exploded with competitors over the last decade. New brands entered the fray, among them Acura, Range Rover, Lexus, Infiniti, Saturn and Hyundai. Sterling came and went, a pattern Daihatsu is repeating. Peugeot dropped out, but new dealer networks are being organized to sell the likes of Amati, Kia and even a street-legal version of the Hummer military vehicle.

600 to chose from

Many of the recent entrants are niche players, and the number of car and truck models has proliferated, totaling more than 600 now, according to some estimates.

Only a relative handful of models sell in large volumes anymore. In the mid-1960s, Chevrolet sold about 1.5 million Impalas in a single year. Last year's top selling vehicle was the Ford F-series pickup, at 442,311 units.

A mature, essentially replacement, market means a company can grow only by taking share from a rival; but now there are more rivals than ever to divvy up the share.

Confusion reigns

Meanwhile, more consumer choice also means more confusion.

All this is taking place as network TV rapidly loses its once overwhelmingly dominant position as an advertising medium. And TV itself now includes a fourth broadcast network plus cable TV.

New media possibilities have emerged, such as personal computers, home videos and out-of-home media that reach consumers in places such as airport terminals, doctors' offices and health clubs.

"You just don't have the Beav and Ward and June watching TV together from 8 to 11 prime time," says Tom Somerset, senior VP-director of marketing services in the Santa Ana, Calif., office of Foote, Cone & Belding, agency for Mazda Motor of America. "You have to identify the prospects and follow them through the day."

Traditional media still figure importantly in auto marketing plans, but they're being looked at in non-traditional ways.

A media switch

"We're really looking at far more targeting and less use of media in a mass way. It doesn't mean we won't use mass media, but we'll use it in a more targeted way," says Richard O'Connor, chairman-ceo of Lintas:Campbell-Ewald, Warren, Mich., agency for GM's Chevrolet division.

The old cost-per-thousand standard for buying media has been reinterpreted as databases enable marketers to pinpoint how to reach specific prospects.

"We no longer look at gross households. What we look at is the targeted cost," says Chrysler's Mr. Julow. "If you have great confidence in what you know, it can wildly change the CPM."

Chrysler, which is re-examining its media strategy, is considering dropping out of prime-time network TV advertising because other media offer more targeted audiences, says John Damoose, VP-marketing.

Ford Motor Co.'s Ford Division and its agency, J. Walter Thompson USA, De-

(Continued on Page S-40)

Cross-country tractor-trailers are fair game for General Motors ads.

McCann-Erickson.

"What comes out," she says, "is a scope that is much broader than 'Do I use cable TV to reach this target?' "

One reason for the growth in niche media is that accountability methods have improved somewhat. Accountability and evaluation are an important aspect of niche marketing.

"There's been a tremendous increase in accountability the last four or five years —it means knowing what works and why, and what things don't work, and why," says GM's Philip Guarascio, executive-in-charge of corporate marketing and advertising. "A lot of our efforts have been directed at understanding the value of [media] tools, creating situations and defining what the mix should be.

"If you look at GM budgeting from a share standpoint," he continues, "nontraditional media are increasing at a faster rate [than in the past]."

Not all automakers are accepting the accountability of niche media, however.

"One of the inherent problems with niche-marketing opportunities is evaluation," says Joseph Caponigro, senior VP-director of media services at Dodge agency BBDO Worldwide, Southfield, Mich. "We can 'guesstimate' numbers, but it is difficult to ascertain audience measurement."

A positive price/value relationship must be demonstrated for a company to invest in a niche medium, says Robert Mancini, senior VP-director of media services at J. Walter Thompson USA, Detroit, agency for Ford Motor Co.'s Ford Division.

"Sometimes you're willing to pay a premium to get a very specific audience that has a much higher propensity to buy your product in an environment that you can't get anywhere else," he says. "For a mass marketer, it makes sense to target for a specific product, but it won't be done at the expense of the mass media budget."

Evaluating the success of a niche-media buy from sales figures is "futile," says Ben Hilverda, director-marketing for Audi of America.

The European auto importer, which also uses a ZIP code-targeted magazine schedule, includes a toll-free number in its advertising to measure response. For the launch of the Audi 100, the 800 line received 60,000 calls in six weeks.

Despite its increased significance, niche media haven't captured all marketers' affections.

Ford Motor Co. was among the first automakers involved in both the Checkout Channel, an in-supermarket, place-based medium run by Turner Broadcasting System and Prodigy, the joint-venture, on-line computer service of IBM Corp. and Sears, Roebuck & Co. But the automaker won't be spending significant portions of its ad budget on niche media in the near future, says John Vanderzee, advertising manager for Ford Division.

"Home video advertising, doctors' offices, Airport Channel, grocery stores—we've had proposals from everyone," says Mr. Vanderzee. "We have yet to find one that makes a lot of sense to us. People sitting in an airport waiting for a flight, [or] at a supermarket checkout counter, they're not looking at it, from what we can see. It's not conducive to what they want to do. They want to get out of that line as quickly as they can."

"Niche media can go all the way to toilet stalls," he says. "I can tell you we'll probably not get involved in any of it."

Many industry observers

(Continued on Page S-40)

Don't sell ragtops in a blizzard

In battle for share, carmakers acquire a feeling for regional tastes

By Raymond Serafin and Cleveland Horton

When Ford Motor Co.'s Ford Division began its regional test last fall of a one-price/one set of options strategy for Escort, it equipped the cars with air conditioning, AM-FM stereo radio and rear-window defroster.

But dealers and marketing officials in the Southeast wanted different options to suit their buyers' preferences, and Ford, traditionally slow to adapt to regional change, went along with it.

Hence, the $9,995 Escorts bound for the Southeast were given a cassette player instead of the defroster that went in those bound for the West and Northeast.

"That was seen as a better value in that area," says Keith Magee, Ford Division's general marketing manager.

That also illustrates one of the growing trends in automotive marketing—the regionalization of approaches involving product, communications messages and media usage.

The J.D. Power & Associates survey of key auto marketing decision makers reflects that trend.

Spot TV will receive the largest spending increase of all media in the 1992 and 1993 model years, according to the Power survey, conducted exclusively for *Advertising Age* and *Automotive News*.

Because "Texas is a huge market for Suburbans," regional Lintas:Campbell-Ewald ads hail it as "the national car of Texas."

The reliance on spot TV might reflect automakers' desire for flexibility in an uncertain marketplace, says Dick O'Donnell, president of automotive media consultancy O'Donnell Strategy Group.

"In hard times, marketers don't want to make as many long-term commitments," he says. "With spot TV, they don't have to make a buy three or six months ahead, and they can pinpoint customers in specific markets very efficiently."

Automotive advertising typically consists of three tiers: The manufacturer or importer produces national advertising; individual retailers handle their own advertising, usually oriented heavily to price; and somewhere in between, dealers for a particular brand in a given area pool funds, usually with factory help, to create advertising that's usually promotion-oriented and runs on broadcast outlets that most individual dealers can't afford to use.

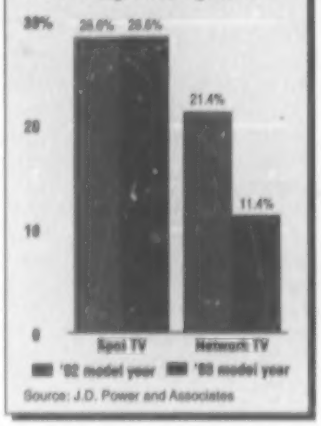
Variations on how regional ad groups operate have cropped up recently, and in some cases a distinctly separate new tier of regional advertising has begun to appear, as marketers get down to a market-by-market slugfest for share.

Some of the technology developed in the 1980s allowed

(Continued on Page S-42)

Network vs. spot TV

Percentage of respondents who said the biggest relative increase in their budget would go to . . .



Source: J.D. Power and Associates

'Safety first' ad thinking no longer a crash course

By Joseph Bohn

For decades, the idea that "safety doesn't sell" rang through automotive marketing circles—because safety didn't sell.

Ford Motor Co. unsuccessfully tried marketing "safety packages," including seat belts offered as a $20 option, in the early '60s. In 1974, General Motors Corp. found few takers for its first airbags.

Even as recently as a few years ago, consumers worried about airbags going off accidently or hitting them in the face, says Bob Gillooly, Ford Division car advertising manager.

Today they're prominent in auto ads, as safety has become an integral part of the industry's pitch to a receptive audience of aging baby boomers.

According to the *Automotive News/Advertising Age* J.D. Power & Associates survey, about 43% of executives at the Big 3 automakers and their agencies say safety messages will become much more important over the next five years.

Asian and European carmakers agree, though not as strongly (25% and 30%, respectively, said it would be much more important).

Safety messages are widespread already. Some examples:

■ Volvo Cars of North America, one of the earliest and strongest safety promoters, quotes a man who attributes his survival of an accident to his wife's Volvo in a TV spot created by Messner Vetere Berger Carey Schmetterer, New York, part of an extensive campaign. "There are certain moments when your entire world becomes crystal clear," says the advertising.

■ Saturn Corp. also is running an ad via Hal Riney & Partners, San Francisco, that talks about favorable word-of-mouth publicity from an accident survivor.

■ Toyota Motor Sales USA offers the "43 Best Reasons" for driving a Previa minivan—its conformity to 43 federal car safety standards—in a campaign handled by Saatchi & Saatchi DFS/Pacific, Torrance, Calif.

■ Ford Division is capitalizing on the availability of dual airbags. It features two side-by-side airbags in its ad campaign for Taurus and is also promoting airbag availability in its Econoline and Club Wagon ads.

■ General Motors is focusing on anti-lock brakes. A new low-cost system has enabled GM to put them in 49 of its 57 car and light-truck lines.

Safety is an especially big concern to women, who now buy nearly half of all vehicles, automotive marketers say.

Women relate items like power door locks to safety because "in a bad situation it gives them control. They can make sure all the doors lock quickly," says Karen Ebben, Oldsmobile division director of consumer marketing.

Safety is also more important to older people. Thus, full-size and family cars such as Crown Victoria, Chevrolet Caprice and Olds Ninety Eight and Eighty Eight play it up more extensively than do smaller, sportier models.

But the proliferation of safety messages concerns some automakers.

Chrysler, which standardized airbags on all cars built in the 1990 model year, isn't playing them up as much as it once did because they're no longer as distinguishing. It only promotes them wherever they convey an advantage.

With so many auto manufacturers promoting safety, Volvo last year commissioned its then-new ad agency, Messner Vetere, to find out whether safety should still be its marketing theme.

The research showed safety to be the most important consideration for Volvo buyers, says Bob Austin, director of communications. But it also showed that many non-Volvo buyers believed all cars were equally safe.

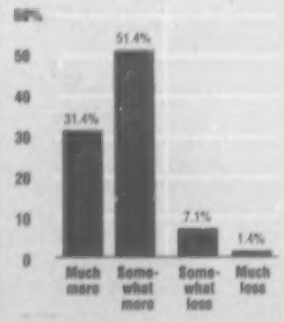
That has led the company to fight what Mr. Austin calls "overly simplistic" safety pitches.

Despite its concerns about competitors' safety messages, Volvo is running another campaign that says: "An airbag is only as good as the car it's attached to." □

Ford ads from J. Walter Thompson USA promote side-by-side airbags in Taurus and note Ford's No. 1 position in sales of vehicles with airbags.

Safety messages, 1996

How important will they be? Percentage of respondents who answered . . .

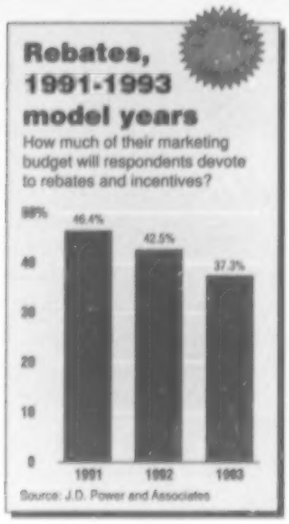


No answer: 8.6%

Source: J.D. Power and Associates

Incentives stay put —at least until the mid-'90s

As carmakers cut costs, that most nagging facet will come under control



By Ariena Sawyers

Automakers want to break away from incentives, but they can't kick the habit.

J.D. Power & Associates found that 77% of auto and agency executives believe incentives will be less important by 1996.

The survey also showed that executives predict a steady decline in dollars allocated to incentives through the 1993 model year.

For the time being, however, the parade of incentives continues. About 90% of the cars and trucks marketed in the U.S. offer incentives averaging $1,498 each, says Suzanne Kinsler, managing director of Autofacts Inc., an automotive information, research and planning consultancy.

Using her figures, the industry spent about $16.5 billion on consumer and dealer incentives last year.

Susan Jacobs, president of Jacobs Automotive, a marketing forecasting and planning agency, attributes the current glut of incentives to the recession and excess production capacity.

But she predicts automakers will be able to move away from incentives by mid-decade.

How? She thinks General Motors Corp.'s plans to eliminate 74,000 jobs, coupled with an expected economic recovery, will mean fewer and less bountiful incentives by the mid-1990s.

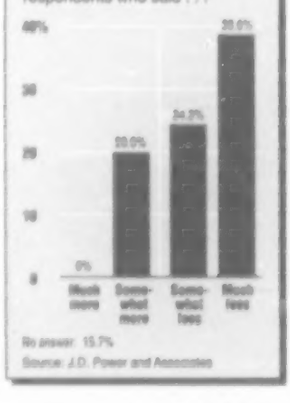
"Incentives readjust prices to market clearing level," Ms. Jacobs says. "By 1994 or 1995, GM's excess capacity will be gone; with a strong recovery that will eliminate blanket incentives. After that, incentives will be more of a tactical move."

Rick Lepley, VP-sales and marketing at Mitsubishi Motor Sales of America, agrees there is no way incentives can remain at current levels.

"When you look at the losses, they can't continue to incentivize at the same levels," he says.

Several automakers already have managed to move away from incentives, while others have disguised them. American Honda Motor Co., for example, offers the least generous incentives among non-luxury car marketers, averaging less than $500 per unit, according to Autofacts.

Volkswagen U.S. got out of the customer rebate business about two years ago and recently started an innovative consumer payment protection program.



Under the program, VW agreed to pay its customers' car and insurance payments for up to a year if they are laid off from their jobs.

Marketing Director David Schembri says he sees an end to "meaningless" incentives, not because of an economic recovery but because consumers see right through them.

He believes value-added incentives will become more popular with marketers in the 1990s.

"Customer rebates are almost an admission that the vehicle is not worth the sticker price," he says. "Consumers are smart, well-read and exposed to the industry. They are seeing through offers that don't have meaning."

Image-conscious importers of European luxury cars seldom offer cash directly to the consumer. Instead, they direct cash to the dealer or offer special cut-rate loans or leases to the consumer.

Last year, Rolls-Royce Motor

(Continued on Page S-12)

Detroit's finally learning the hard lessons

Ignore the whining; Big 3 get the hint and are listening to the constituency

By Joseph M. Winski

In this recession—as in the one a decade ago—automakers have emptied their gimmick bags.

They've adopted, cursed, sworn off and again adopted rebates. They've tinkered with warranties and financing deals (less critical this time because interest rates are so much lower).

COMMENTARY

Detroit has again blamed the Japanese for its problems, going so far this time as to send the U.S. president and Big 3 honchos to Tokyo to bash and beg at the same time.

But the sound and fury of the short-term stunts and constant carping obscure what may be the beginnings of fundamental change in the way Detroit markets cars.

Lacking *total* marketing

Eight decades after Henry Ford told Americans they could have the Model T in any color they wished as long as it was black, U.S. automakers are finally getting it: What the consumer wants does matter.

They're learning this from the masters of understanding the U.S. customer, Japanese carmakers, who have proven to be as savvy at marketing as they are at production.

"There are spots where I see some signs of real improvement" in Detroit's marketing approach, says Laurel Cutler, worldwide director of marketing and planning at Foote, Cone & Belding, New York, and former Chrysler Corp. VP-consumer affairs.

Though the Big 3 together spent $2.65 billion on advertising last year, not to mention rebates and other costly promotions, advertising and promotion are but a small part of total marketing. In the basic sense of marketing, which *starts* with consideration of the consumer, "Detroit has not marketed at all," Ms. Cutler says.

In addition to producing inferior cars—its most grievous marketing sin—Detroit long had a production/-finance orientation that blinded it to emerging consumer wants, causing it to miss promising market niches. These lapses range from failing to provide quality small cars during the gasoline shortages of the 1970s to ceding much of the luxury car market in the 1980s, first to German companies and then to upscale Japanese models like Toyota Motor Corp.'s Lexus and Honda Motor Co.'s Acura.

The Big 3 insist they're no longer giving marketing short shrift. Like the best Japanese companies, the Big 3 say, they're integrating marketing into the product development process early on and listening to what marketers and consumers have to say every step of the way.

Chrysler, which last year suffered the embarrassment of dropping to fifth in U.S. car sales behind Honda and Toyota, is making the most public proclamations of reform.

In ad spreads signed by Chairman Lee Iacocca, the company boasts it has done nothing less than "reinvent" the way it makes cars. "And what drives the system is the voice of the customer," the ad claims.

■ Power survey respondents rate Toyota tops in marketing—Page S-14.
■ GM's massive remodeling and how marketing fits in—Page S-24.

Fewer oohs-and-aahs

That represents a sea change for Detroit. It has been practically a U.S. automaker tradition to build the cars they wanted and complacently stand back to watch consumers ooh-and-aah at the annual new-model debuts.

Early attempts by the Japanese to crack the market, such as Toyota with its dismal Toyopet in the 1950s, only heightened Detroit's sense of invulnerability.

But as Philip Kotler, Northwestern University marketing professor, has documented in his 1985 book, "The New Competition," Toyota was learning from its mistakes.

Encouraged by the Japanese government, which singled out automobiles as one way to build a strong export-based economy, Toyota spotted room for well-made, reliable small cars. When the 1974 Arab oil embargo hit, Toyota—and to a lesser extent Honda and Nissan Motor Co.—were ready to please a market suddenly clamoring for good, fuel-efficient vehicles.

Detroit, stuck with acres of big cars it couldn't sell, shrugged. Pure luck, it said of the Japanese suc-

(Continued on Page S-44)

Dartboard dealin' hits target

By Arlena Sawyers

Even as they vow to move away from incentives, automakers are constantly looking for ways to strengthen their programs so they stand out from the crowd.

Several car companies have found some marketing muscle in regional incentives.

Among them is Mitsubishi Motor Sales of America, which largely shuns national incentives. Rick Lepley, VP-sales and marketing, says the company leaves most incentive decisions to its five regional managers because they know their markets better than anyone else.

For instance, Mitsubishi's Northeast region often puts its most generous incentives on Galant, popular with lower-middle-income buyers in that area. The Southeast and Southwest regions usually put their incentive might behind pickups, which are favorites in those areas.

To attract a certain kind of customer, many manufacturers offer narrowly defined discounts as well.

General Motors Corp., for example, offers $400 rebates to military personnel and military spouses who buy or lease eligible GM cars and trucks. A Buick ad in the October/November issue of *Modern Maturity* included a coupon worth $400 off the price of any Buick to consumers age 50 and older.

In addition, automakers often offer a special discount to their own customers or owners of competitive models. Earlier this year, owners of Ford Motor Co. vehicles were eligible for $1,000 rebates if they purchased certain full-size models.

But not every incentive comes in the form of cash.

Subaru of America took some money it used to spend on incentives and added extra standard equipment to its 1992 Legacy. The least expensive 1992 Legacy, $12,999 with a $500 built-in rebate, now has power windows and locks, air conditioning and a stereo cassette player as standard. That makes the 1992 model $1,420 less expensive than a similarly equipped 1991 model.

Mazda Motor of America is running a similar program. It offers a $1,000 rebate plus either free air conditioning or free automatic transmission on 1992 Protege, 626 and MX-6 cars.

Chris Wackman, Subaru VP-marketing, says such programs give consumers value for their money.

"The customer feels that he's buying value, not just the best rebate," says Mr. Wackman. □

Incentives

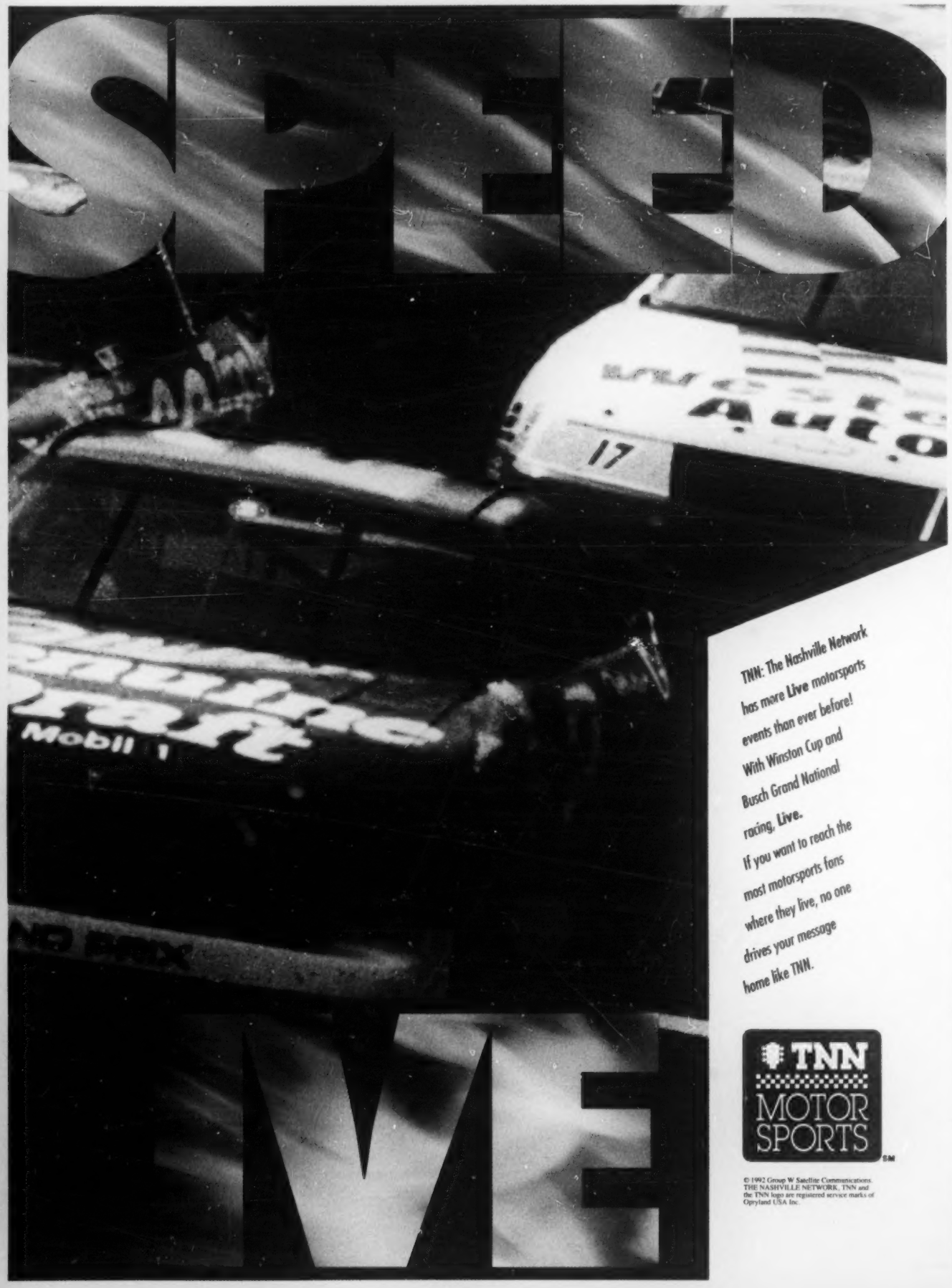
(Continued from Page S-8)

Cars and Jaguar Cars disguised incentives as offers to pay the luxury tax.

Importers of Audi, Saab and Nissan Motor Corp. USA's Infiniti division give their customers a break with cut-rate leasing. Such deals often cover all scheduled maintenance, all for less than a regular loan payment.

There are even signs that the biggest sellers are struggling to move away from customer rebates, too.

In February, Ford Motor Co. and Chevrolet reduced incentives on some models. These don't quite signal the demise of Detroit's addiction to incentives, but at least automakers are trying. □



TNN: The Nashville Network has more Live motorsports events than ever before! With Winston Cup and Busch Grand National racing. Live. If you want to reach the most motorsports fans where they live, no one drives your message home like TNN.

TNN MOTOR SPORTS SM

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Who did that ad?

The young copywriters behind the agency wheels of some hot cars.

The blatant "subliminal" ad touch carried off the dual personality of the Toyota Paseo.

Writer sporty —and practical

Leisa Odom is having fun in the male-dominated world of automobile advertising.

The 30-year-old copywriter at Saatchi & Saatchi DFS/Pacific, Torrance, Calif., scoffs at the notion that guys are more mechanical and better suited to complex issues like the internal combustion engine.

"That's crap. I grew up on a farm. Go to my house and see who rewires the electrical sockets and hooks up the VCR. I do, my boyfriend doesn't."

She knows her way around a car, too. "I grew up changing my own oil. I can change a flat and I can do that kind of stuff. I wouldn't say I'm a buff, but I certainly can get by and I drive a sports car."

Odom

Being female hasn't held her back while working on Saatchi's Toyota account. "I don't let that interfere. It's not a plus or a minus either. If you get the best idea, the best person wins," she says.

Ms. Odom was the writer on the campaign that used an edge of subliminal advertising to introduce the Paseo as both a practical and sporty little car.

"It was a wonderful opportunity with the launch," she says. "We had to create a personality for this car and it was a perfect demographic for an irreverent tonality. And we did that. I think it's been very successful in positioning the car."

The TV commercials have been well received, and one of the spots won a Mobius award from the U.S. Festivals Association.

"My head has swollen up a lot since the Paseo [campaign broke]. It's made me feel great because some of the comments I've gotten have been unsolicited. I had a couple of people walk up to me in the gym. They knew I worked in advertising and they asked if I'd seen the new Paseo stuff. They didn't know that I wrote it."

Now she's hooked on car advertising.

She applied for work on the Toyota account about a year ago, while working in Saatchi's New York office.

"I wanted to get a wide body of work. I always thought cars would be kind of hard, but fun, too. I came out [to California] for six months and liked it so much I begged to stay. I chained myself to my furniture and they said OK." □

—Jon Lafayette

Toyota takes a bow in survey

Attention to basics and ability to follow through wins competitor admiration

By Cleveland Horton

It's hard to quibble with success.

When asked to identify the most outstanding automotive marketer, most automaker and agency executives name Toyota Motor Sales USA.

The leading Asian importer received top marks in four of five specific marketing areas, according to the exclusive J.D. Power & Associates survey conducted for *Automotive News* and *Advertising Age*.

Those marks represent a surprising consensus in the highly competitive industry. Survey respondents couldn't nominate their own or their client's brand.

Industry envy

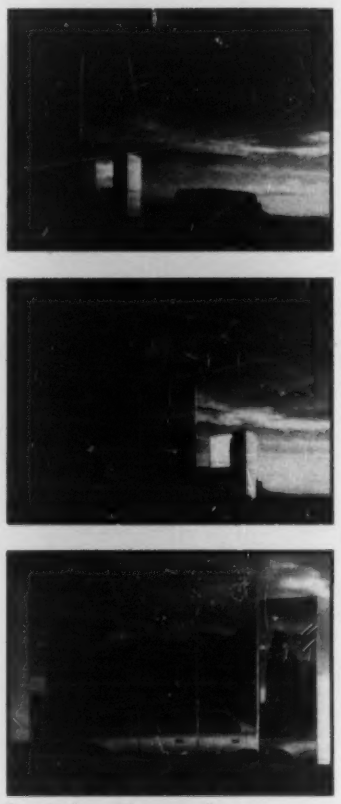
The results highlight the auto industry's envy of Toyota's formidable marketing machine. Additionally, Toyota's Lexus division was named No. 1 in terms of creative (*see chart below*) and No. 2 behind Toyota in its use of media and promotions.

Toyota's advertising is handled by Saatchi & Saatchi DFS/Pacific, Torrance, Calif., while the advertising for Lexus is from Team One, El Segundo, Calif., a Saatchi subsidiary created to handle the new division.

Agency consistency could be one factor in Toyota's high rating; the Japanese import basically has had but two ad agencies since its U.S. introduction in 1958. Its first agency was Clinton E. Frank Inc., a Chicago-based agency, and the account was moved to the larger Dancer-Fitzgerald-Sample in 1975. Dancer was acquired by London-based Saatchi in 1986 and soon merged with Compton Advertising under the Saatchi name.

Toyota "overall has as much marketing [staff] as does Ford or Chrysler," says George Peterson, president, AutoPacific Group, a consultancy.

"They are the Philip Morris of the automotive industry," says Larry Postaer, principal and exec VP-creative director, Rubin Postaer & Associates, Los Angeles, agency for American Honda Motor Co.



Toyota is putting massive advertising support behind its Camry midsize sedan, devoting $120 million to push the car.

Models linked

But unlike the cigarette and package-goods marketer, Mr. Postaer adds, Toyota links many of its vehicles to a single brand.

"Because their truck and car [advertising] is so tied together, unlike anyone else, they benefit strongly from that. They're omnipresent."

High awareness

Indeed, Toyota's "I love what you do for me" tagline, used for both cars and trucks and now going into its third year, led to high awareness and "the whole mystique of the brand," says Bill Hagelstein, exec VP-general manager, Foote, Cone & Belding, Santa Ana, Calif., which handles Mazda Motor of America.

While most automotive marketers have focused on saving money during the current recession, Toyota has been able to dig deep into the pockets of its corporate parent to make sure every aspect of a marketing program is covered.

"From everything we can tell," Mr. Peterson says, "they have determined what the attributes are to do very solid marketing programs for their product . . . When they decide to market a car, they check all the boxes. If something is necessary, they'll invest to make sure that that happens."

In the area of promotions, Toyota is aggressive in its "sale-a-thons," supporting them with heavy advertising as well as enticing rebates.

In the Power survey, auto executives named Toyota No.

(Continued on Page S-48)

Which brand does best

Respondents were asked to list the manufacturer other than themselves/their clients that is most outstanding in specific areas. Type size indicates support relative to winner in each category.

	No. 1	No. 2	No. 3
Use of media	Toyota	Lexus	General Motors Chevrolet Honda
Promotions	Toyota	Lexus Nissan Chrysler	General Motors Ford
Creative	Lexus	Honda	Mercedes-Benz

Source: J.D. Power and Associates

Shops better look over their shoulders

Expect six auto account reviews in two years: Survey

By Jon Lafayette

Ad agencies looking for a car account should keep their motors running.

The J.D. Power & Associates survey conducted for *Automotive News* and *Advertising Age* shows 14.3% of auto executives said an agency review is very likely within the next two years.

Another 7.1% said a review is somewhat likely, leaving 62.9% very unlikely and 11.4% somewhat unlikely to have a review. The remaining 4.3% had no answer.

While 7.1% and 11.4% might seem small, the percentages are significant because they indicate six of the roughly 30 major automobile ad accounts in the U.S. could be up for review in the next two years.

More musical chairs

That would rival the wheel-spinning pace with which carmakers have been playing musical chairs with ad agencies over the past year.

During that time, Subaru of America moved from Levine, Huntley, Vick & Beaver, New York, to Wieden & Kennedy, Portland, Ore.; American Isuzu Motors went from Della Femina, McNamee, Los Angeles, to Goodby, Berlin & Silverstein, San Francisco; Volvo Cars of North America from Scali, McCabe, Sloves to Messner Vetere Berger Carey Schmetterer, both New York; and Mercedes-Benz of North America drove to Scali, McCabe, Sloves from McCaffrey & McCall, also New York.

These changes represent the shift of about $270 million in car ad billings. That's a lot of hubcaps.

Since the survey was done, Jaguar Cars put its $15 million-to-$20 million account up for review. Yugo America was already in the process of selecting a new agency, and Kia, a Korean carmaker, is looking for a shop to introduce its products to the U.S.

No room for security

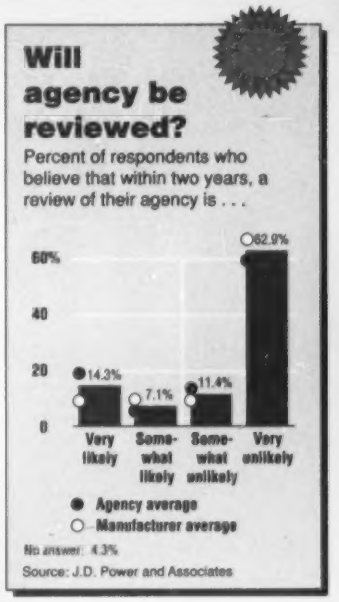
As the auto industry struggles with the recession, it's not surprising so many agencies have lost auto accounts. And since the economy still hasn't picked up, the agencies that survived 1991 shouldn't feel too secure.

Ad agency executives think imports are the most likely car accounts to go up for review in the next year. BMW of North America and Nissan Motor Corp. USA's Infiniti division are among the marques most frequently mentioned, either because of poor results in the marketplace or instability at the agency.

But the big money is in Detroit. Some agency executives believe domestic automakers ought to shake up their agencies, but they aren't so sure the stranglehold longtime Detroit shops have on the business can be broken.

Jerry Della Femina, chairman of Della Femina, McNamee, looking for a car account after losing Isuzu,

(Continued on Page S-30)



Our readers do more than window shop.

1992 Chicago Sun-Times Newspaper Network

Category	Sun-Times Newspaper Network	Daily Tribune
Adults in household buying a new car in past 2 years	763,200	561,100
Coverage	47.8%	35.2%
Sticker price of last new vehicle purchased $10,000-$19,000	1,239,700	894,100
Coverage	51.1%	36.9%
$20,000 or more	155,400	126,900
Coverage	44.9%	36.7%
Adults in households currently leasing a car	202,200	144,000
Coverage	50.1%	35.7%
Total adult readers	2,641,100	1,831,700
Coverage	48.1%	33.3%
Income $50,000+	879,100	816,900
Coverage	47.1%	43.7%

In the six-county Northeastern Illinois NICA, there's a big, bright new window of opportunity for automotive advertisers--the Sun-Times Newspaper Network, made up of Chicago's number one selling newspaper and 57 paid suburban papers (38 Pioneer Press and 19 Star newspapers).
In every key category, we outdistance the daily Tribune by miles. (Just read the numbers above to see just how broadly that claim sticks.)
Options? We give you over 30 buying combinations, so that you can reach any target-marketing destination.
Ease of handling? Just one insertion order, one invoice, one piece of artwork and one sales representative gets you there, without ever once shifting gears.
So call Nick Paloumpis at 312/321-2950 and roll out your campaign where it covers the most territory and gets the best budget mileage.

Source: 1991 Scarborough Report - Chicago NICA

The Sun-Times Newspaper Network

We've rewritten the lead in the Chicago area

RESOURCE CENTER

A comprehensive guide to auto marketers, their agencies and current advertising themes.

ACURA
Ad agency: Ketchum Advertising, Los Angeles
Since: 1986
Ad theme: ``Acura. Precision-crafted performance.''
Since: 1986

ALFA ROMEO
Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.
Since: 1989
Ad theme: ``The legendary marque of high performance.''
Since: 1990

AUDI
Ad agency: DDB Needham Worldwide, Troy, Mich., and Chicago
Since: 1969
Ad theme: ``Take control.''
Since: 1991

BMW
Ad agency: Ammirati & Puris, New York
Since: 1975
Ad theme: ``The ultimate driving machine.''
Since: 1975
Direct marketing agency: Orsatti & Parrish, Boston
Since: 1991

CHRYSLER CORP.
Chrysler Corporate
Ad agency: Bozell, Birmingham, Mich., and New York
Since: 1979
Ad theme: ``Advantage: Chrysler'' and ``In the car business, you lead, follow or get out of the way.''
Since: 1990; 1992

Corporate minority advertising
Ad agency: Lockhart & Petus, New York
Since: 1987

Chrysler corporate and divisional merchandising (except for Jeep/Eagle)
Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.
Since: 1926

Chrysler brand
Ad agency: Bozell, Birmingham, Mich., and New York
Since: 1979
Ad theme: ``The perfect balance between self-indulgence and common sense.'' and ``Advantage: Chrysler.''
Since: 1991; 1990

Plymouth
Ad agency: Bozell, Birmingham, Mich., and New York
Since: 1979
Ad theme: ``Plymouth. Intelligent machines'' and ``Advantage: Plymouth.''
Since: 1991; 1990

Dodge
Ad agency: BBDO Worldwide, Southfield, Mich.
Since: 1982
Ad theme: ``Advantage: Dodge''
Since: 1990

Jeep
Ad agency: Campbell-Mithun-Esty, Southfield, Mich.
Since: 1960
Ad theme: ``There's only one Jeep'' and ``Advantage:Jeep.''
Since: 1990 (both)

Eagle
Ad agency: Campbell-Mithun-Esty, Southfield, Mich.
Since: 1987
Ad theme: ``Advantage:Eagle.''
Since: 1990

DAIHATSU
Ad agency: Dresser/Craig, Los Angeles
Since: 1988
Ad theme: ``It's how we make them.''
Since: 1990

FERRARI
Ad agency: Hank Forssberg Advertising, Hackensack, N.J.
Since: 1979
Ad theme: ``The tradition continues.''
Since: 1989

FORD MOTOR CO.
Ford Corporate
Ad agency: Wells Rich Greene BDDP, Detroit and New York
Since: 1979
Ad theme: ``Quality is Job One. It's working.''
Since: 1981 for ``Quality is Job One.'' The ``It's working'' was added in 1992.

Ford
Ad agency: J. Walter Thompson USA, Detroit
Since: 1949
Ad theme (car): ``Have you driven a Ford lately?'' (truck): ``The best never rest.''
Since: (car): 1983 (truck): 1988

Lincoln
Ad agency: Young & Rubicam, Detroit
Since: 1979
Ad theme: ``What a luxury car should be.''
Since: 1984
Direct marketing agency: Y&R/Wunderman Worldwide, Detroit.
Since: 1981

Mercury
Ad agency: Young & Rubicam, Detroit
Since: 1979
Ad theme: ``All this and the quality of a Mercury.''
Since: 1989
Direct marketing agency: Y&R/Wunderman Worldwide, Detroit.
Since: 1981

Lincoln-Mercury minority advertising
Ad agency: UniWorld Group, New York
Since: 1986

GENERAL MOTORS
Buick
Ad agency: McCann-Erickson Worldwide, Troy, Mich.
Since: 1958
Ad theme: ``Buick. The new symbol for quality in America.''
Since: 1990

Cadillac
Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.
Since: 1935
Ad theme: ``Until now.''
Cadillac Seville: ``Until Seville.''
Since: 1991
Sales promotion/Direct marketing agencies: DMB&B PR, Intergroup Marketing & Promotions, both Bloomfield Hills, Mich.
Since: 1982

Chevrolet
Ad agency: Lintas:Campbell-Ewald, Warren, Mich.
Since: 1921
Ad theme: (cars) ``Heartbeat of America,'' (trucks) ``Heartbeat of America'' and ``Like a rock.''
Since: (cars) 1986, (trucks) 1986; 1991
Sales promotion/Direct marketing: Lintas: Marketing Communications
Since: 1921

Geo
Ad agency: Lintas: Campbell-Ewald, Warren, Mich.
Since: 1989
Ad theme: (car) ``Get to know Geo.''
Since: 1989
Sales promotion/Direct marketing: Lintas: Marketing Communications
Since: 1989

GMC Truck
Ad agency: McCann/SAS, Troy, Mich.
Since: 1990
Ad theme: ``The strength of experience.''
Since: 1991

Oldsmobile
Ad agency: Leo Burnett USA, Southfield, Mich., and Chicago
Since: 1967
Ad theme: ``The power of intelligent engineering.''
Since: 1991

Pontiac
Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.
Since: 1934
Ad theme: ``Things are different. Things are better.''
Pontiac Bonneville: ``A higher level of excitement.''
Pontiac Grand Am: ``A new kind of excitement.''
Since: 1992
Sales promotion/Direct marketing: DMB&B PR, Intergroup Marketing & Promotions, both in Bloomfield Hills, Mich.
Since: 1982, for both

Saturn:
Agency: Hal Riney & Partners, San Francisco
Since: 1985
Ad theme: ``A different kind of company. A different kind of car.''
Since: 1990

GM Corporate:
Ad agency: N W Ayer, Detroit; D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.; McCann-Erickson Worldwide, New York, for consumer market development
Since: 1973 (Ayer); 1965 (DMB&B); 1990 (McCann)
Ad theme: ``Putting quality on the road.''
Since: 1990

Corporate minority advertising
Ad agency: The Mingo Group, New York
Since: 1987

HONDA
Ad agency: Hudom Postner & Associates, Santa Monica, Calif.
Since: 1974
Ad theme: None.

HYUNDAI
Ad agency: Backer Spielvogel Bates, Irvine, Calif.
Since: 1985
Ad theme: ``Hyundai. Yes, Hyundai.''
Since: 1990

INFINITI
Ad agency: Hill, Holliday, Connors, Cosmopulos, Marina Del Rey, Calif.
Since: 1985
Ad theme: "Infiniti. Makes you feel like driving again, doesn't it?"
Since: 1991

ISUZU
Ad agency: Goodby, Berlin & Silverstein, San Francisco
Since: 1991
Ad theme: Practically/Amazing
Media buying service: SFM Media Corp., New York
Since: 1991

JAGUAR
Ad agency: Geer, DuBois, New York (in review)
Since: 1986
Ad theme: ``The best Jaguars ever built.''
Since: 1991

LEXUS
Ad agency: Team One, El Segundo, Calif., unit of Saatchi & Saatchi DFS/Pacific
Since: 1987
Ad theme: ``The relentless pursuit of perfection.''
Since: 1989

LOTUS
Ad agency: McCann-Erickson Worldwide, New York
Since: 1987
Ad theme: ``For the few who know the difference.''
Since: 1897

MAZDA
Ad agency: Foote, Cone & Belding, Irvine, Calif.
Since: 1972
Ad theme: ``Mazda. It just feels right.''
Since: 1989

MERCEDES-BENZ
Ad agency: Scali, McCabe, Sloves, New York (national); The Martin Agency, Richmond, Va. (regional)
Since: March 1992
Ad theme: ``Engineered like no other car in the world.''
Since: About 1975

MITSUBISHI
Ad agency: Grey Advertising, New York and Fountain Valley, Calif.
Since: 1985
Ad theme: ``Mitsubishi. The word's getting around.''
Since: 1989

NISSAN
Ad agency: Chiat/Day/Mojo, Venice, Calif.
Since: 1987
Ad theme: ``Built for the human race.''
Since: 1987

PORSCHE
Ad agency: Fallon McElligott, Minneapolis
Since: 1987
Ad theme: None.

RANGE ROVER
Ad agency: [illegible]
Since: [illegible]
Ad theme: [illegible]
Since: 1987

ROLLS-ROYCE
Ad agency: Mullen Advertising, Wenham, Mass.
Since: 1990
Ad theme: (Rolls-Royce) ``Simply the best motor car in the world.''
(Bentley) ``Have you flown the Bentley Turbo R?''
Since: unknown; 1991

SAAB
Ad agency: Angotti, Thomas, Hedge, New York
Since: 1990
Ad theme: ``We don't make compromises. We make Saabs.''
Since: 1990

SUBARU
Ad agency: Wieden & Kennedy, Cherry Hill, N.J.
Since: 1991
Ad theme: ``Subaru. What to drive.''
Since: 1991

SUZUKI
Ad agency: Asher/Gould, Los Angeles
Since: 1989
Ad theme: ``Everyday vehicles that aren't.''
Since: About 1990

TOYOTA
Ad agency: Saatchi & Saatchi DFS/Pacific, Torrance, Calif.
Since: 1974
Ad theme: ``I love what you do for me.''
Since: 1989

VOLKSWAGEN
Ad agency: DDB Needham Worldwide, Troy, Mich.
Since: 1959
Ad theme: ``Fahrvergnügen''
Since: 1990

VOLVO
Ad agency: Messner Vetere Berger Carey Schmetterer, New York
Since: 1991
Ad theme: ``Drive safely.''
Since: 1991

Compiled by Patricia Strnad

Old imagery powers old perceptions of Detroit cars

Imports' cadre of upstart shops wins fans by challenging the usual tricks

HONDA: With its simple, eye-catching imagery—produced with prodigious but utterly invisible technological virtuosity—Honda TV advertising has become not only a sales tool but also a metaphor for Honda automobiles. Rubin Postaer & Associates, Santa Monica.

SUBARU: Subaru, resurrecting the irreverence, self-deprecation, non-ostentation appeal and typeface of Doyle Dane Bernbach's Volkswagen ads of the early '60s, goes against auto-ad convention by deglamorizing its cars. The psychographic target: the conspicuously inconspicuous consumer. Wieden & Kennedy, Cherry Hill, N.J.

By Bob Garfield
"Ad Review" columnist

Chrysler Corp. gets a lot of attention for its various corporate campaigns ("Hi, I'm Lee Iacocca. Buy a Chrysler product or one of these distinguished top executives dies at dawn").

But what viewers are most apt to have seen lately has nothing to do with impassioned chief-executive pleading, nor with airbag safety, nor with the long-awaited coming of the Viper.

What viewers see the most is three babes in tight, red sequins, kicking and grinding for Dodge.

Oy.

It's a promotion campaign from BBDO Worldwide, Southfield, designed to generate traffic in empty Dodge showrooms. And it must be working like crazy. Chrysler only lost $795 million in 1991.

This isn't entirely coincidental. While American cars have substantially closed the quality gap with the Japanese competition, American-car advertising still clings to the old themes (sex appeal, prestige, excitement), the old imagery (mountain roads at dusk), the old bombast ("THE BEST BUILT, BEST BACKED american CAR!"), the old superficiality ("The Heartbeat of America").

Is it any wonder, then, that consumers cling to their prejudices about American cars?

The Japanese, on the other hand, have mainly aligned themselves with the New Advertising as created by such upstart agencies as Chiat/Day/-Mojo (Nissan); Rubin Postaer & Associates (Honda); Wieden & Kennedy (Subaru); Goodby, Berlin & Silverstein (Isuzu); and Hill, Holliday, Connors, Cosmopulos (Infiniti).

Japan, on the other hand, is gaining share. This is no coincidence, either.

When Chiat/Day/Mojo took on the Nissan business in 1987, many asked if this really boded any fundamental change vs. an experiment in self-indulgent creative that would soon give way to the tried-and-true.

At first there was no clear answer. Chiat/Day/Mojo's premiere effort was the insufferable Yuppies in a Hangar campaign, featuring eight demographically balanced refugees from "thirtysomething," lounging around in very dramatic lighting and congratulating one another for their surpassing vision in creating the Nissan Pathfinder.

Mercifully, this turned out to be an anomaly. Since then, in various bold and subtle ways, Chiat and its fellow travelers have challenged every assumption, every canon, every cliche Detroit ever had about advertising cars.

In their place: wit, self-deprecation, simplicity of image, humility, directness, accessibility and an unorthodox approach to consumer psychology.

Chiat pitched Nissans to Joe Sixpack by stimulating not sex fantasies but empowerment fantasies.

Wieden & Kennedy ridiculed the notion of buying a car to impress the neighbors and (echoing the Volkswagen ads from the once upstart Doyle Dane Bernbach) promoted a sort of conspicuously inconspicuous consumption. Hill Holliday had the temerity, widely viewed as sacrilege, to produce car commercials minus any cars whatsoever.

And for Saturn, Hal Riney & Partners said, "Aw shucks. We Saturn folks aren't anythin' special. We're just a buncha folks who really care about makin' a pretty fair country car, and we hope you think it's a pretty fair car, too."

All right, granted, Saturn isn't a Japanese car. But it's General Motors' version of a Japanese car, mimicking the Asians in styling, performance, management techniques and integrated design.

Chiat pitched Nissans by stimulating empowerment fantasies.

It's therefore also no coincidence that Saturn, along the way of being "A Different Kind of Car, A Different Kind of Company," had to find itself a different kind of agency—i.e., not McCann-Erickson, D'Arcy Masius Benton & Bowles, N W Ayer or Lintas:Campbell-Ewald.

Not all of these approaches are necessarily unassailable. Infinti's "rocks and trees" spots were as annoying as they were intriguing, and Riney's early Saturn ads were *too* laid back, ostentatiously—and therefore falsely—humble.

Moreover, Toyota hired Saatchi & Saatchi, formerly Dancer-Fitzgerald-Sample, a large, establishment shop producing monumentally bland advertising, and Toyota is the gorilla of imports.

If the domestic car industry is to prosper—as it will, when its astonishingly good new products come on line and the American consumer's predisposition to associate "quality" with "Japanese" begins to wane—the advertising lessons are clear: Babes and jingles may please the senses, but what they communicate is a legacy that is best forgotten. □

SATURN: What if someone could build a Japanese car with American values? This is what Saturn is all about and Hal Riney & Partners has pretty well communicated it, too, with a series of ultra-self-effacing spots about some country folks who hug their kids and go to church and make the best darn family cars they can, no matter how hard they work to get the job done. The humility is sometimes excessive, but the message comes through.

ISUZU TROOPER: Despite their generally out-of-sync quality, new spots from Goodby, Berlin & Silverstein for the Isuzu Trooper cleverly invoke wry universal truths—such as men's macho inability to ask for directions—to highlight the advantages of four-wheel drive.

Easy to covet, hard to connect

By Joe Mandese

With the possible exception of the recession, no story dominates the conversations of automotive media planners and buyers more than cross-media deals.

Cross-media packages appear to combine many of the hottest marketing buzzwords: integrated marketing, value-added, synergy.

But beneath the hyperbole, only a handful of such deals have actually been structured, including three separate Time Warner megadeals with General Motors Corp., Chrysler Corp. and Mazda Motor of America.

Even the people involved in the most intimate details of those deals say the jury is out on their value.

Cross-media packages tend to be open-ended and multi-year arrangements that require constant stewardship and fine-tuning. Thus, many executives involved in them say it is difficult to specify exactly what they've gotten at any point in time.

"These are moving, breathing things," says James Helberg, VP-group media director at Foote, Cone & Belding, Santa Ana, Calif., who helped develop and continues to rewrite Mazda's cross-media package with Time Warner.

While he maintains Mazda is getting good value out of the buy, he says many cross-media deals are more statement than substance.

"There's a lot of pressure on agencies and clients to create the next big idea. And cross-media is the next big idea," he says.

"A lot of them have been done for grandstanding reasons. I think a lot of them that were announced have not come to fruition," admits Phil Guarascio, GM's executive-in-charge of corporate marketing and advertising.

"Most of the advertisers are making agreements in concept and working a lot of the specifics out as they walk through together," adds Randy Schroeder, exec VP-management director/media for Campbell-Mithun-Esty, Southfield, Mich., which handles Chrysler's Jeep/-Eagle division. "Time Warner and others have a massive array of potential outlets. We've got to get smarter on how to use them."

In GM's Time Warner deal, Mr. Guarascio says the auto marketer has the capability of using "35 or 40 different kinds of applications of non-mainline media" that Time Warner has to offer.

To date, he says, GM has implemented about a dozen.

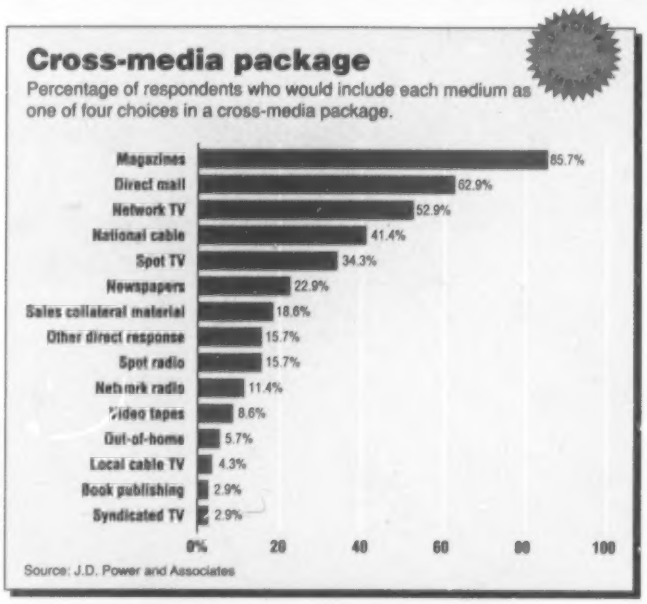
He declined to be specific about which programs GM has used. But Mr. Guarascio notes GM has used video production, graphic arts and fulfillment capabilities, and it has married that to in-magazine targeting capabilities of the company.

"It takes a tremendous amount of energy to make these things work. We're really looking for ways to combine a variety of elements to create a whole that's greater than the sum of its parts," Mr. Guarascio says.

Most auto media executives believe use of cross-media will grow, but not necessarily on the magnitude of the multimillion-dollar megadeals.

"I think you'll continue to see multiple-media deals, but they will end up being much more specifically customized in the future," says Mr. Schroeder. "Five years from now, you're going to have very small specific proposals that are multi-media and highly targeted toward the client, but not necessarily the same singular great buy." □

Raymond Serafin contributed to this story.



Magazines linchpin of cross-media

Most auto marketers say they aren't looking for cross-media deals to be all-inclusive.

The J.D. Power & Associates survey found 85.7% of respondents cited magazines as one of four media elements they would include in an ideal cross-media package, while 62.9% cited direct mail, 52.9% network TV and 41.4% cable TV.

Spot TV, newspapers and sales collateral materials were less popular choices with 34.3%, 22.9% and 18.6% of respondents citing those options, respectively. Interestingly, the value of the respective media in cross-media deals varies between agency and advertiser executives.

Asked to design the "ideal" cross-media package, network and spot TV were components cited by 97.3% of automotive ad agency executives, but only 75.8% of auto marketing executives.

In contrast, 87.8% of automaker personnel were more inclined than agency respondents (70.3%) to include direct mail/-direct response media.

Overall, 31.4% cited the lower costs-per-thousand that cross-media deals can generate as the primary advantage of such deals, and 27.1% cited the ability to deliver a single message in a variety of media.

Such findings suggest the cross-media deals have been primarily designed as large-volume discount programs combined with value-added options.

As a result, some agency media executives believe the deals have been used more for tactical reasons than strategic ones.

"From my perspective I would want to look at a cross-media promotion as a relevant marketing idea that would have extensions of the communications value first," says Bob Mancini, senior VP-media director of J. Walter Thompson USA, Detroit, agency for Ford Motor Co.'s Ford Division.

To some agency media executives, price efficiency is the operative term, and important as one component of overall strategy.

No panacea

Price is "important insofar as you don't want to put yourself in the position of spending more per impression than you would otherwise," says Joel Kushins, senior VP-media director at Bozell, New York, agency for Chrysler Corp. "But unless there is something compelling about what the whole package deal is about, it's probably not worth doing."

Mr. Kushins says today's cross-media deals will lead to better ones in the future.

"Cross-media is not the ultimate panacea," he says, "but it's gotten people on the agency, client and media side doing things and thinking about things that they would not have even considered doing before." □

—Joe Mandese

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The Plain Dealer
Leadership In Advertising Results

The General preps for the counterattack

Inserting the team approach tops changes needed to rebound from '80s

By Raymond Serafin

There's not much wrong with General Motors Corp. that an infusion of good marketing can't fix, to hear some marketers tell it.

But this marketing sensibility needs to find its way into the marrow of the entire company, not just be restricted to the ghettos of designated marketing units.

What's needed is something Vincent Barabba calls " 'Big M' Marketing," to distinguish it, he says, from the narrower activities taken on by "the people who have marketing in their titles."

> "If I can recognize a car at 1,000 feet, that's an identity."

Mr. Barabba is executive-in-charge of GM's market research decision center and—some observers say—a missionary of sorts, preaching that corporate salvation can be found in being a marketing-driven company.

Create a customer

Mr. Barabba hearkens back to management authority Peter Drucker's admonition that the purpose of any business is to create a customer. In Mr. Barabba's broad view, marketing encompasses multidepartmental planning and executing of product development, pricing, promotion and distribution to attract customers and sustain a relationship with them.

"Change is difficult, particularly when you've been a dominant player in your industry," says Mr. Barabba. "It's unfortunate, but sometimes it takes a level of pain to say you're going to have to change the way you do business."

The question of how to produce a GM comeback would never have arisen if the giant company had been taking better care of its customer base over the last decade. GM lost customers in droves during the 1980s, and that has colored the way the world views the entire U.S. domestic automobile industry.

Share drops 11

From 1980 to 1990, the domestics' share of U.S. car market registrations dropped 6 share points, to 65.7%. GM lost 11 share points in that time, to 35.4% from 46.4%.

That drop of 11 share points coincided with the tenure of Roger Smith as chairman of GM. Robert Stempel succeeded Mr. Smith on Aug. 1, 1990, the day before Iraq invaded Kuwait, setting into motion events that aggravated the economic downturn.

"I put Stempel and Boris Yeltsin in the same category," says Jim Wangers, senior managing partner of Automotive Marketing Consultants. Both men are trying to hold together the remnants of an empire nearly ruined by their predecessors.

"GM might never recover from Roger Smith, but Stempel is catching most of the hell," Mr. Wangers says.

Mr. Stempel presides over a company that lost $4.5 billion in 1991, the biggest loss posted by any company ever. GM is now planning to close 21 plants over the next three years as part of an effort to control costs.

Shortcomings showed

"Marketing," says Mr. Wangers, "has been one of the serious shortcomings of the corporation over the last decade or so."

Led by Mr. Stempel and President Lloyd Reuss, GM is reorganizing, creating a North American Operations group to eliminate layers of management and develop improved accountability for decisions.

Mr. Barabba describes the goal for the new organization as "a seamless structure . . . running the business from the market's point of view."

Traditionally within GM, separate units plan aspects such as product, pricing, distribution and promotion, leading to the creation of mini-empires. "They bring all these optimized business plans together and then begin compromising, and you get giant fights taking place" as departments battle over turf, Mr. Barabba says.

In place of that system, GM envisions an organization in which multidisciplined groups work as teams to find strategies keyed to sustaining customer satisfaction and delegate the resources needed to accomplish the goal.

A key point is the focus on customer relationships rather than selling a vehicle.

"I might make decisions that re-

(Continued on Page S-38)

This right-hand-drive Honda ad promotes its U.S. factory role.

On edge in the middle of America

'People in the Rust Belt tend to become emotional when you talk about imports'

By Patricia Strnad

When Toyota Motor Corp. started building cars in Georgetown, Ky., dealers of domestic autos in the area complained bitterly.

The plant's presence was killing their sales, says Jay Houghton, principal in charge of research and consulting at Automotive Information Group. At the time, Mr. Houghton was senior VP at Lintas: Campbell-Ewald, Warren, Mich., in charge of advertising in the central region for General Motors Corp.'s Chevrolet Division.

■ A look at other U.S. regions on Pages S-26, S-50 and S-51.

The potential to capture sales from domestic brands is one of the main reasons Japanese automakers built plants in the Midwest.

"One of the reasons Honda chose to build cars in Marysville, Ohio . . . wasn't that Marysville has natural resources or great distribution advantages," Mr. Houghton says. "The reasoning was, if people in that area worked on those products, they would buy those products."

Tough to crack

Now most Japanese automakers operate plants in the Midwest, which has been the toughest sales region for them to crack. In addition to the Kentucky and Ohio plants of Toyota and Honda Motor Co., respectively, Nissan Motor Co. builds vehicles in Smyrna, Tenn.; Mazda Motor Corp. has a plant in Flat Rock, Mich.; Mitsubishi Motors Corp. operates a plant in Normal, Ill.; and Fuji Heavy Industries (maker of Subaru) and Isuzu Motors have a manufacturing joint venture in Lafayette, Ind.

Although those plants have improved consumer acceptance of Japanese vehicles, most Japanese importers are finding it necessary to adopt other strategies to boost sales in America's heartland.

Among the tactics: Strengthening distribution via added dealerships, increasing area media weight and creating ads aimed directly at Midwesterners, who tend to be more loyal to General Motors, Ford Motor Co. and Chrysler Corp.

In recent months Japanese automakers have increased advertising in the Midwest to fight anti-Japanese sentiment triggered by recession, GM plant closings and layoffs, and widespread media attention on the trade imbalance. And many have turned to advertising that emphasizes the U.S. origins of many of their products.

Share lags

It's too early to tell whether the increased marketing activity is helping. But even before hostility toward Japanese products began to escalate, the Japanese cars' Midwest market share lagged significantly behind national share.

According to R.L. Polk & Co., which tracks U.S. vehicle registrations, domestic brands took a 64.1% share of total U.S. new car registrations in 1991, compared with 31.5% for Japanese brands. But in the Midwest, domestic nameplates took 75.7% to the Japanese 21.7% share.

"Market acceptance of Japanese brands depends on whether there's a strong support for the union in that town," says Rick Lepley, senior VP-sales and marketing for

(Continued on Page S-38)

Calif. dream turns urgent

By Cleveland Horton

California or bust.

That's the rallying cry from Detroit as domestic car marketers gear up to retake market share in the heart of import country.

Although specialized automobile marketing programs for the California market have come and gone, the nature of the most recent efforts resembles a clutch play.

Domestic automakers are joining the battle as if their survival depends on it. And it might.

Big percentage

Apart from its acknowledged role as bellwether for the nation, California traditionally accounts for 11% of all U.S. sales of cars and light trucks.

For 1991, however, California sales for the Big 3 fell far below that, compared with total U.S. sales. General Motors Corp.'s sales in the state represented 9.3% of its total U.S. volume. Chrysler did 9.2% of its U.S. volume in the Golden State while Ford's percentage came in at 8.5%.

By contrast, the Asian imports counted on California for 17.3% of their U.S. sales; European imports saw 21.0%

of their sales in the state.

Evidence of the new commitment by the domestics to California is rife. GM took the unprecedented step by bringing all its divisions together late last year to discuss corporate action in retaking the California market.

Sources say Ford Motor Co. is holding top-level meetings addressing not only product concerns regarding its California share but ways of making it "O.K." for West Coast people to park a Ford in their driveway.

"California has always been a problem—or an opportunity—for the domestics," says Vic Olesen, president of Vic Olesen & Partners, Los Angeles, which handled West Coast advertising for Chevrolet until early this year.

Opportunity cars

"The hard part is getting the company to swallow the fact that they cannot sell Caprices here but they can Camaros," Mr. Olesen says. "They have to identify volume, opportunity cars."

Chevy's national agency, Lintas:Campbell-Ewald, Warren, Mich, recently expanded its Los Angeles office to oversee the division's western regional work. But Richard O'Connor, chairman-ceo, agrees with Mr. Olesen's assessment.

"California has traditionally been a great Camaro market, but there hasn't been a redesign of that car in 11 years," he says.

And then there's Saturn. GM's $3 billion experiment represents the company's last, best hope in fighting the imports, and the new division zeroed in early on the importance of California.

To win back import owners, Saturn hired a San Francisco agency, Hal Riney & Partners, which created a teaser campaign introducing the company, rather than the car, in October 1990. GM's new star first became available in California.

Chrysler Corp. also did "the most comprehensive research the company has ever done," says John Damoose, VP-marketing, when the company "went to California and talked to thousands of import buyers."

One of the things they learned, Mr. Damoose says, was that just changing the vehicles alone wasn't enough; the company needed to change its way of dealing with customers. So Chrysler now is launching what Mr. Damoose believes to be the most ambitious dealer training program ever. □

Contributors: Joseph M. Winski and Raymond Serafin.

Home field advantage?

Japanese car marketers' success in taking almost half of the California market didn't happen by accident.

First, most located their U.S. marketing arms in California: Toyota Motor Sales USA, American Honda Motor Co., Nissan Motor Corp. USA, American Isuzu Motors, Mitsubishi Motor Sales of America, American Suzuki Motor Corp. and Mazda Motor of America.

Then, they designed cars specifically for the state, adding standard features such as FM radios (the California FM market was more developed in the 1970s than the rest of the country).

"People got some satisfaction out of those Japanese products," says Jim Wangers, senior marketing partner at Automotive Marketing Consultants. "And then the Japanese improved the areas where they were originally weak, like styling."

It worked. "Part of being a Californian is to drive a Japanese car," he says. □

—Cleveland Horton

LA OPINION is the predominant source of advertising information among Spanish-dominant Hispanic adults actively shopping for a new car or truck. In the greater Los Angeles area, LA OPINION is the most relied upon source in most major categories tested. For more information, contact LA OPINION's Marketing Department.

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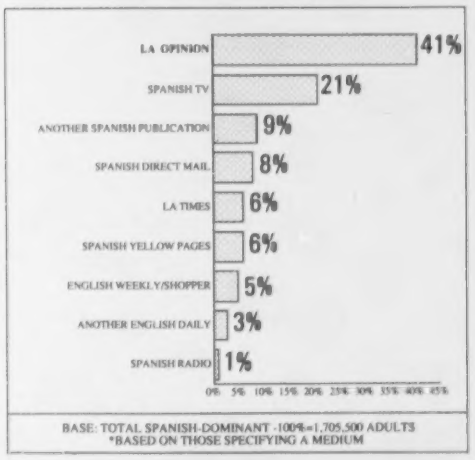
LA OPINION 41%
SPANISH TV 21%
ANOTHER SPANISH PUBLICATION 9%
SPANISH DIRECT MAIL 8%
LA TIMES 6%
SPANISH YELLOW PAGES 6%
ENGLISH WEEKLY/SHOPPER 5%
ANOTHER ENGLISH DAILY 3%
SPANISH RADIO 1%
0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

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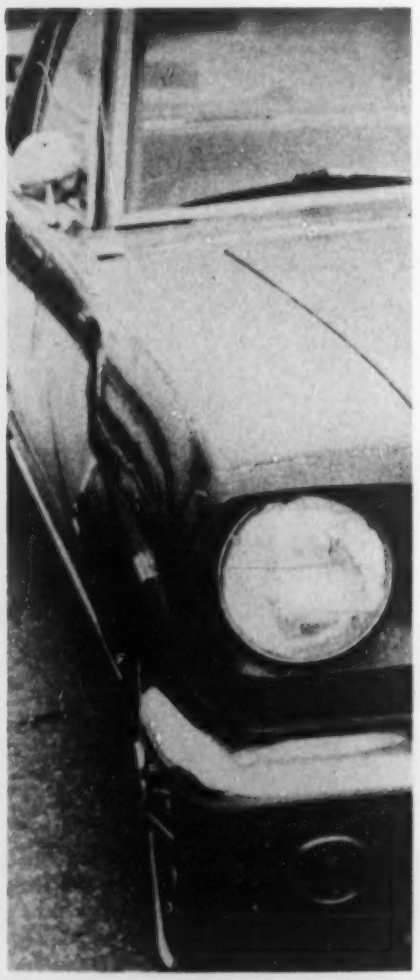


Source: 1991 Clark, Martire & Bartolomeo Study of the Hispanic Market

Who did that ad?

The young copywriters behind the agency wheels of some hot cars.

"Dullsville's" mix of laid-back scenes helped put the NX on the map for Nissan and agency Chiat/Day/Mojo.

Putting cool into 'Dullsville'

People ask Rob Siltanen if he can help them buy a new Nissan NX cheap.

"I can't get them cheap. I can't even get one for myself," says the 28-year-old copywriter who worked on the "Dullsville" spot at Chiat/Day/Mojo, Venice, Calif.

Even after finding out there's no special discount available for acquaintances of the copywriter, "everybody always says those are really cool commercials," Mr. Siltanen says. The strategy was to position the NX as a fun car. "It's the kind of car my friends would want to drive. I think we succeeded in saying it's a fun car. We didn't have to get into all those other things, like how well it handles."

For Rob Siltanen, "a car has always been an emotional thing, more than a rational thing."

Mr. Siltanen worked on the Acura account at Ketchum Advertising, Los Angeles, before joining Chiat/Day/Mojo a year and a half ago. And he didn't move onto the Nissan account right away.

"I was working on everything non-Nissan and this project came up and my partner and I jumped in," he says.

At the time, there wasn't much competition. "When I first got there, a lot of people wanted to be on the other [non-Nissan] side," he says. Now everybody wants to work on the Nissan account, because the work's so good. They give us a lot of opportunities to do the kind of work we want to do."

Mr. Siltanen says he never thought of himself as a car buff.

"For me, a car has always been an emotional thing, more than a rational thing. Now I'm starting to see some of the rational reasons that are real. You just have to drive the cars to see," he says. "I'm learning the language—'viscous limited slip differential' and all that stuff."

He recently visited Nissan's plant in Smyrna, Tenn., to help round out his auto education. "I'm just now starting to appreciate them a little bit more, especially working with so many 'car guys.' I won't call myself that yet. I'm learning." □

—Jon Lafayette

Compensation misses mark

Several consumer products companies in the U.S. have started using an incentive pay structure for ad agencies —in effect, paying more if the advertising "works."

Such large package-goods marketers as Campbell Soup Co., RJR Nabisco and Kraft General Foods have adopted a form of incentive-based compensation in the past few years.

But automakers aren't fazed by the compensation trend. The J.D. Power & Associates survey for *Advertising Age* and *Automotive News* found that fewer than one-fifth of the respondents (18.6%) use any performance criteria as a portion of agency compensation.

Sixty percent report they don't foresee basing agency pay on performance in the near future. □

Looking over shoulders

(Continued from Page S-16)

thinks a new wave of activity could sweep him in.

"Detroit is taking another look at itself in every way. They can't afford to have the Japanese beat them in advertising," he says. "They're working very hard to catch up and overrun the Japanese in car design and car quality, and all of that is going to be meaningless if they can't market their cars as good as the Japanese have."

Adds Don Weir, exec VP-account services at Jordan, McGrath, Case & Taylor, New York, "there's no question that good advertising could help those guys."

Jordan McGrath has been trying to get a car account for years. Mr. Weir thinks Detroit could certainly use some new blood.

Consumers are numbed

"It would make a hell of a lot of sense. They've been doing the same old stuff for so long that there's just a staggering, numbing effect on consumers," he says.

"They spend billions a year on advertising automobiles. Out of that about half is spent in deals, sale-athons, price-off promotion, rebates, zero financing. It's just unbelieveably numbing."

The problem runs deeper than creative execution, Mr. Weir says.

"It's their positioning work, their strategies. There was a day when Pontiac had 'We Build Excitement' and their cars echoed that all the way down to the accelerator floor. The advertising grew out of that. Now consumers are having a real hard time telling the difference between Pontiacs and Oldsmobiles, Buicks and Chevrolets. There's no delineation. That's a strategic problem as much as a creative problem."

But Mr. Weir thinks getting a domestic auto account is a long shot for his agency. "That's such a hard club and clique to break into," he says.

"The relationships are just so layered into each other—they go back 50 years," adds Donnie Deutsch, exec VP-creative director at Deutsch, New York. "But we all know they should be looking. Just look at the Saturn advertising that [Hal Riney & Partners] did. You can poke holes and say that's just more Riney, but it has a voice. It's advertising. Most of the other car advertising is pap," he says.

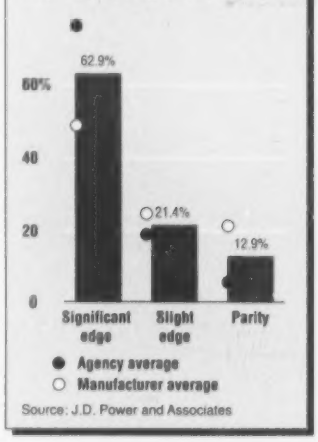
If automakers decide to go shopping for a new agency, they'll find it tough to find many substantial shops that don't already have a car account.

"There aren't that many stores in town," says Mr. Della Femina. "The same people will be called for the next major Detroit thing. It will be us, it'll be Jordan Case, it'll be maybe Bill Tragos [chairman of TBWA].

"There are agencies without car accounts that are sitting in nice seats right now and can probably pick up a good one if Detroit starts to move. And let's face it. If one of the Big 3 in Detroit makes a move, the other two are not going to sit back and let them." □

How good is agency?

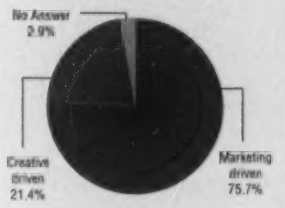
Percentage of respondents who said their agency gave client a . . .



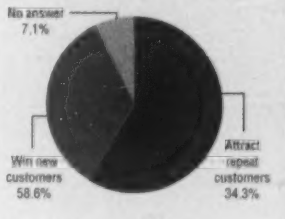
Source: J.D. Power and Associates

The state of advertising

Percent of respondents who said their advertising philosophy is primarily . . .



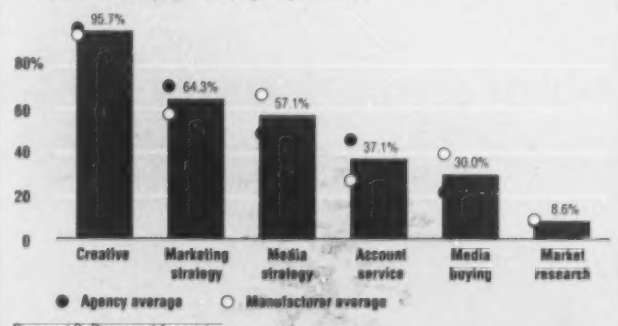
Percent of respondents who said that five years from now, it will be most important to . . .



Source: J.D. Power and Associates

Most important services

Percentage of respondents who chose each service as one of the three most important ad agency services.



Source: J.D. Power and Associates

All signals look green

Environment concerns move to front, auto execs agree

By Arlena Sawyers

Green marketing could turn golden in the auto industry.

Decades of growing environmental awareness and deteriorating air quality have led to stringent clean-air laws that force automobile companies to research, develop and test-market environmentally friendlier vehicles.

And that looks to be playing right into growing grassroots consumer interest in the issue.

Importance grows

The J.D. Power & Associates survey for *Automotive News* and *Advertising Age* shows green marketing will continue to gain importance with auto executives in the next five years.

Of the automaker and agency executives surveyed, 20% said green marketing will become much more important and 70% said it will grow somewhat more important over that time period.

"We spend a lot of time with customers and do a lot of research—awareness of environmental issues is growing," says Richard Fenstermacher, Ford Motor Co. executive director-marketing for North American Automotive Operations.

Most of the green technology—which will include recyclable parts and less toxic materials as well as cleaner exhausts—is still in the concept-vehicle stage. That means most green marketing is limited to news stories, displays at auto shows and carefully monitored pilot programs.

> "While [alternative] fuels have positive attributes, there are some trade-offs."

The state of California is the driving force in auto industry greenness, with the toughest clean-air standards in the country.

In September 1990, the California Air Resources Board adopted a law that, beginning in 1998, requires 2% of each automaker's sales have zero emissions. With existing technology, that means battery power. The portion rises to 10% in 2003.

As many as nine states and the District of Columbia have signed agreements supporting similar rules in their jurisdictions. Together, those states represent one-third of U.S. car and light-truck registrations.

Nearly every manufacturer has developed or is developing an electric vehicle (*see story below*) but they're not considered practical yet.

Build a better battery

At this stage of development, the vehicles have short driving ranges and batteries wear out quickly from constantly being recharged.

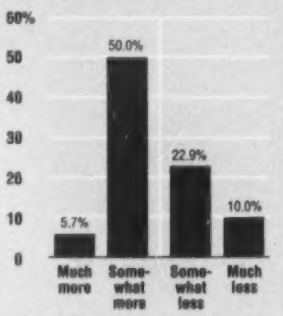
However, Ford, General Motors Corp. and Chrysler Corp. have a major joint venture under way with a goal of better batteries than those currently available, and all the companies proceed as if they will solve the problems.

Vehicles using alternative fuels like methanol and compressed natural gas are

(Continued on Page S-46)

Green marketing, 1996

How important will it be? Percentage of respondents who answered . . .



No answer: 11.4%

Source: J.D. Power and Associates

Battery power's impact takes hold at GM

First mass-produced electric car cuts across all market segments

By Phil Frame

For General Motors Corp., the successful marketing of a battery-powered vehicle hinges on selling it as a great car that happens to be electric.

In 1998, GM and all other large automakers will be required by California and other states to sell electric or other zero-emission vehicles, whether or not there's a market for such transportation.

GM, the first major automaker to plan to mass produce an electric car, is aiming for a wide audience, says John Albers, director of market research for GM Electric Vehicles, a branch of the advanced engineering staff that developed the company's Impact concept car.

"This is a real car for real customers, and in addition it has an electric propulsion system that gives it more desirability," Mr. Albers says.

"We're trying not to take a look at this car as an unusual product. We ought to think of it as a mainstream product because that's what we want the customer to think."

All "market segments are targets for electric vehicle propulsion. It's not fitting neatly into one segment of the marketplace, which is good for us because that means it has wide appeal," he says.

The sales pitch to customers probably will center on the electric vehicle's environmental benefit, a virtual absence of maintenance and greater convenience because people can "refuel" at home rather than go to a gas station.

The advertising itself is the responsibility of Amy Rader, the 24-year-old director of advertising for GM Electric Vehicles.

Ms. Rader, who worked at Saturn Corp. for 1½ years before taking the job, says the company will focus on educating customers before any media advertising.

"The way I see this working, the education is going to start out teaching people what electric vehicles are, teaching people what questions to ask so they can start comparing," Ms. Rader says. "We have to give consumers a start on how to compare" alternative fuels.

The second step, she says, is to teach people how to realistically look at their driving patterns to see if an electric car is right for them.

"When they stop, how long do they stop? Is it long enough to recharge?" Ms. Rader says. "Getting people to start thinking about their own needs is going to be an important part of our job."

As the vehicle gets closer to production, Ms. Rader's task will be to convince people to buy GM's product.

The other major U.S. automakers are also exploring electric cars, though not at the same level as GM.

Earlier this month, Chrysler Corp. signed an agreement with Westinghouse Electric Corp. to jointly develop an alternating-current motor for a 1995 or 1996 electric minivan.

GM's Impact prototype electric vehicle takes the sloping Saturn nose one step further.

Ford Motor Co. hasn't announced production plans, but it plans to deliver a test fleet of 80 electric minivans based on its European Escort to utility companies in spring '93.

Still, GM's Ms. Rader says: "We have a big competitive advantage because GM's big vertical integration structure is finally paying off. We're the only people who can build our own batteries, converters and sell and service a car."

That advantage might not last too long. Longer-term, the Big 3 have agreed to a joint venture to build by 1994 better batteries than GM can currently produce.

GM's Mr. Albers says he expects the state governments that mandate electric cars to encourage buyers of alternative-fuel vehicles by offering some form of subsidy.

These governments—a number of states have followed California's lead with such rules—adopted the measures to reduce auto emissions and, to have a significant effect, the low-or-zero-emission vehicles have to be on the road in some quantity.

Although GM has begun planning, Mr. Albers knows there may not be great demand for electric vehicles at the moment.

"Right now, I would describe it as market potential," he says. "We need to go out there and raise the level of knowledge and get infrastructure in place. We'll make sure the market is developed when we're ready."

And, he says, GM and the other carmakers can't assure success on their own.

Mr. Albers says utilities and government agencies have to be heavily involved. It will be their eventual job to make sure facilities are available so people can conveniently recharge the electric cars that will follow the coming GM home-rechargable model. □

Arlena Sawyers contributed to this story.

General counterattacks

(Continued from Page S-24)
duce the amount of value I get from the first [sales] transaction based on the fact I want [the customer] to come back,'' says Mr. Barabba. That might translate into more dealership training or better warranties or other programs.

A more market-based organization could help GM re-establish strong brand images across the board. Mr. Wangers and others say GM's once-powerful brand identities were diluted as a result of Mr. Smith's mid-1980s reorganization, which created three platform groups with responsibility for developing products. The reorganization separated manufacturing and design responsibility from marketing responsibility.

"The secret to rebuilding the brands is to make products that match up with what the brands stand for," says Sean Fitzpatrick, vice chairman of McCann-Erickson North America, which handles Buick, GMC Truck and GM's corporate quality campaign. "If I can recognize a car at 1,000 feet, that's an identity."

Some of GM's brands appear to be on the right track, delivering consistent messages and successful products to match.

Import fighters

Cadillac's 1992 Eldorado and Seville showed the brand could compete with the best of the imports. Buick has boosted its market share in recent years by presenting premium products such as the Park Avenue and LeSabre. Geo has attracted young import prospects.

GMC Truck has been holding its own on the truck front, and the new import-fighting Saturn brand shows promise, based on the high grades it's getting for taking care of customer concerns.

Observers credit Pontiac with developing a performance image, but criticize GM for not providing enough fitting product.

Oldsmobile and, to some extent, Chevrolet remain sore spots.

Olds built big volumes in the mid-1980s with products that appealed to a decidedly mature audience. But with Buick now ensconced successfully in the traditional upscale domestic-car niche, Oldsmobile has floundered in trying to return to a historic identity as a company on the forefront of engineering excellence.

"It's unfortunate, but sometimes it takes a level of pain to say you're going to have to change the way you do business."

Barabba

Chevrolet has been resurgent on the truck side, but it lacks the car that could—given Chevy's vast distribution system—turn into a knockout volume leader.

"Chevrolet should provide GM's entry-level, low-price statement of basic reliable, dependable transportation," says Mr. Wangers. From that standpoint, "GM isn't building a Chevrolet," he says.

Attacking the perception

Beyond putting brand identities in order, GM still faces the problem of convincing once-burned customers this is no longer the haughty organization that put out poor products.

"The difference between GM quality and the highest-quality manufacturers in the world is less than one defect per car," says Philip Guarascio, GM's executive-in-charge of corporate marketing and advertising. "The quality gap has really closed, and we have to make sure people understand that."

It's doubtful any other company matches GM in sheer quantity of research into the market and into marketing communications.

Leading edge

Mr. Guarascio's department has a formalized research and development component devoted to exploring new ways of advertising, merchandising and event marketing.

"Its purpose is to identify long-term leading edge kinds of opportunities that are going to create advantages for our divisions,'' Mr. Guarascio says.

GM in the past several years has been a leader in developing both innovative deals with traditional media organizations and also in exploring new media and promotional opportunities.

Jury's out

The jury is out on whether all of GM's efforts will produce a turnaround, or whether the company will squander its resources. Mr. Barabba says success for GM is a matter of returning to the philosophy that drove Alfred Sloan, the former president and chairman who managed the company to the top of the industry, beginning in the 1920s.

"Sloan had one of the great marketing minds,'' Mr. Barabba says. "He structured a business that had the customer at the end. 'A car for every purse and purpose' [Sloan's maxim]—that's creating a business with the customer at the end.

"We're at the rebirth of how the company is going to do what it did so well before, except now it's going to have to do it in the context of an environment that's a helluva lot harder than what Mr. Sloan started out with." □

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Midwest

(Continued from Page S-24)
Mitsubishi. "That's a prevalent factor in forging attitudes. Detroit would certainly be a strong union town, but the union influence isn't quite so strong in a city like Chicago."

Strong job link

It also has to do with the fact that many Midwesterners' jobs are tied to the domestic auto industry.

"People in the Rust Belt tend to become emotional when you start talking about imports and other issues affecting their livelihoods,'' Mr. Houghton says. "They start thinking in terms of black or white. They see the purchase of an import as 'against us.' "

But attitudes and ties to the domestic auto industry aren't the only reasons the Japanese haven't made greater gains in the heartland. Distribution is key, too.

When they first entered the U.S market, Japanese automakers shipped vehicles to ports on the West and East Coasts. With import quotas and a limited supply of vehicles, they naturally began penetrating markets closest to the points of delivery.

"It's taken time to develop strong inland distribution,'' says Jan Thompson, VP-marketing at Mazda.

Adds Bob Weldon, general manager of the Cincinnati region for Toyota Motor Distributors, "It's sheer numbers. In Cincinnati, there are five Toyota dealers compared to about 16 for Ford and 17 or 18 for Chevrolet. That really affects our ability to penetrate the market."

In 1991, there were nearly 7,000 Japanese auto dealerships in the U.S., up 29% from 1987. That's not likely to grow. Mr. Weldon and officials from other Japanese importers say dealer expansion plans are being curbed until the economy improves and existing dealers can strengthen their businesses.

Meanwhile, as the Big 3 urge consumers to "Buy American," Japanese automakers are letting consumers know many of their vehicles are U.S.-made.

Subaru, for example, is putting "Made in America" stickers in the rear windows of the Subaru Legacy, which is built in Indiana and accounts for 70% of Subaru's U.S. sales. The marketer also recently broke a Legacy TV spot shot in the U.S. plant.

Toyota has been running a print campaign this year focusing on the people who work at its Georgetown, Ky., plant and a TV spot talking about the U.S. origin of the Camry sedan. While those ads, from agency Saatchi & Saatchi DFS/Pacific, are running nationwide, "they are played more in the Midwest than on either coast," Mr. Weldon says.

Honda is running two "Made in America'' spots, one for the East and another for the West. A print ad, headlined "What's right with this picture?" shows a right-hand-drive Honda and talks about how Honda exports cars made in the U.S. to Japan. Rubin Postaer & Associates is the agency for Honda.

Flat Rock ad

Mazda broke an ad last month recognizing workers at its Flat Rock, Mich., plant and suppliers for their help in rolling out the redesigned 1993 MX-6 coupe. Copy in that Foote, Cone & Belding ad says the MX-6 is "the first import-branded car that may be truly considered a domestic product." The ad ran in newspapers in the Detroit area and Toledo, Ohio. □

Tradition out the window

(Continued from Page S-3)
troit, last year revised the way they evaluate magazine buys, a process that resulted in Ford reducing its magazine schedule from the previous 130 titles to about 90 for the 1992 model year.

"We buy magazines far more effectively than we used to," says John Vanderzee, Ford's director of advertising. "Today we're using target audience CPM as only one of the factors, albeit an important one.

"We're very interested, for instance, in reader involvement with a magazine. We measure things like how many readers read three out of the last four issues," Mr. Vanderzee says.

Mr. Vanderzee says targeting is easier with magazines than with TV. Ford, he says, had no trouble determining a magazine schedule for its upcoming launch of its redesigned Probe this July.

"But it's not as easy to find youth-oriented television, and also get reach," Mr. Vanderzee says. "MTV reaches youth, but I could buy every commercial on it for a month and not reach one-tenth of the people I want to talk to."

Still role for TV

While the movement toward customizing the message to the audience leaves the TV networks somewhat vulnerable, few auto marketers expect to abandon the medium.

"I don't see it as an either/or situation," says Lois Miller, senior VP-director of media marketing services at Hill, Holliday, Connors, Cosmopulos, Marina Del Rey, Calif., agency for Nissan Motor Corp. USA's Infiniti. "Mass media perform a certain task, and they do it well, as long as you don't ask mass media to get down to the nitty-gritty selling."

"You have to cover more bases now," says Duncan Pollock, exec VP in charge of BMW of North America at Ammirati & Puris, New York. One reason, he says, is that TV is glutted with auto advertising.

$10 million a night

"We did a study a year and a half ago and found that on an average night in New York City, there is $10 million spent on auto advertising on TV," Mr. Pollock says.

Mr. Vanderzee says clutter is an increasing problem, especially with TV.

"The networks have done a lousy job of controlling it because they need more inventory," Mr. Vanderzee says. "I frankly think they're shooting themselves in the foot, because a lot of people are really tired of it."

That clutter is one factor driving the growth of direct marketing and place-based media, says Mr. Julow, because those options allow a marketer to better control the selling environment.

Chrysler is one of a number of auto marketers that have tried to build a multifaceted marketing program around a particular theme. For instance, the company's involvement with the recent Winter Olympics included broadcast sponsorship on CBS and cross-promotions that involved Kmart Corp., CBS and Time Warner's *Sports Illustrated*.

Mr. O'Connor says Lintas:Campbell-Ewald believes integrated marketing is the wave of the future.

Three years ago, the agency put together its model for integration in launching the Chevrolet Lumina with multi-media advertising, co-promotion with Walt Disney Co., dealer introduction program and training materials.

Integration builds

Integration is particularly important for durable goods, where dealers and salesmen play a key role in the sale, says Mr. O'Connor.

Marketers such as GM's Cadillac division build a number of their integrated marketing programs around the lifestyles of their affluent target prospects.

"When they are involved in an activity, they tend to be very passionate about it," says Peter Levin, director of advertising for Cadillac.

All this demand to better identify prospective customers calls for additional emphasis on research by marketers and agencies.

"Our research budget has quadrupled in order to fine-tune our marketing," says FCB's Mr. Somerset. "Even after the recession, we aren't going to abandon that."

Mr. Somerset is among those who suggest some media organizations aren't keeping pace with the needs and sophisticated approaches of auto marketers.

Mr. Guarascio says many media organizations' lack of expertise hinders them from forming substantial partnerships with auto marketers.

"Our divisions have talent in the areas of advertising, marketing, merchandising, public relations, sales and event marketing, and we're way ahead of the media in terms of the ability to know how to use those things," he says. "And we don't have the time to educate the media."

For all the recent change in automotive marketing, the next several years may be even more dramatic, says Mr. O'Connor. He sees continued advances in technology making it possible to "start a dialogue with consumers" rather than just put out a message.

Direct contact

He suggests a scenario in which a consumer at home, viewing an auto dealer commercial, will call directly to a salesman who can answer questions and offer to bring over a car for a test drive. Or, a viewer watching a TV commercial might push a button that results in the printing of an invitation and rebate coupon for a test drive at a nearby dealership.

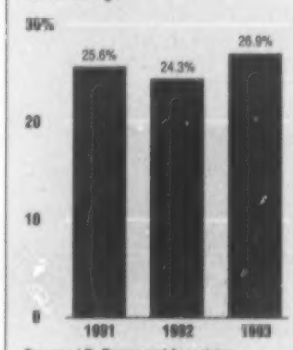
So is this advertising or promotion? For automakers, the answer isn't important, says Mr. O'Connor. "What is important is that you have a seriously qualified prospect to follow up on for a sale."

For the mass media, it's another story entirely. □

Cleveland Horton contributed to this story.

Marketing allocation

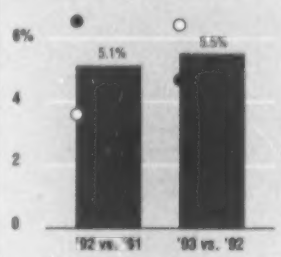
How much of respondents' model-year marketing budget will be devoted to consumer promotions rather than advertising?



Source: J.D. Power and Associates

Change in advertising and marketing budget

Average change in budget from previous model year, as foreseen by respondents.



Source: J.D. Power and Associates

'Acceptable graffiti' test limits

Some examples of targeting audiences with niche media:

Videos are big with automakers. Chrysler Corp. and General Motors Corp.'s Pontiac division both used lightweight, relatively inexpensive videocassettes to promote minivans to hundreds of thousands of potential buyers in direct mail campaigns last year.

Chevrolet sent similar tapes for its Corvette to potential buyers.

Chrysler's Dodge Division has three spots from its agency, BBDO Worldwide, Southfield, Mich., on the recent HBO Video production of *Sports Illustrated's* "Behind the Scenes: The Official Swimsuit Video."

Luxury automakers such as GM's Cadillac division find niche marketing tools can fit their affluent prospects' lifestyles. "They're very active," says Peter Levin, Cadillac's director of advertising. "So it's difficult to catch them using traditional forms of media."

Cadillac will use a 23-minute video as part of the launch of the 1993 Allante, which begins a regional rollout in late April. The video was produced by ADventure, Farmington Hills, Mich.

Saab Cars USA is also using a direct mail video. It is promoting its special 9000 CD Turbo Griffin Edition.

The video, from Saab agency Angotti, Thomas, Hedge, New York, was sent to 50,000 prospects with household incomes of $100,000 or more; names were culled from the subscription rolls of *Inc.*, *Money* and *The Wall Street Journal*.

Other than video, Pontiac, Chevrolet and Buick have all committed to test three-sided boards on trucks in the Atlanta area with Patterson's Mobile Media.

In a project called "wild postings" to support the Miata launch, Mazda Motor of America hung posters in a dozen cities at construction sites and other places normally used for movie posters.

"We use [the method] all the time for film releases, and the more I sat in on meetings for the creative and media of the campaign, I realized that the movie audience was a good subset of our prospects," says Tom Somerset, senior VP-director of marketing services at Foote, Cone & Belding, Santa Ana, Calif., agency for Mazda. "It has a little bit of an attitude. It's sort of acceptable graffiti."

Computers offer another area. BMW of North America, along with nine other automakers, advertises on the computer information service Prodigy, which reaches 1.4 million subscribers.

The Jeep/Eagle Division of Chrysler recently ran a computer disc commercial in a disc-based magazine called *PC Life*, says Randy Schroeder, exec VP-management director/media, Campbell-Mithun-Esty, Southfield, Mich. The commercial was similar to a TV spot, Mr. Schroeder says, but was not as graphically oriented. □

—John P. Cortez

Niche

(Continued from Page S-3)
believe the future of niche marketing isn't in toilet stalls, but databases. Database marketing is the key that allows automakers to communicate with consumers at each phase of the purchase cycle.

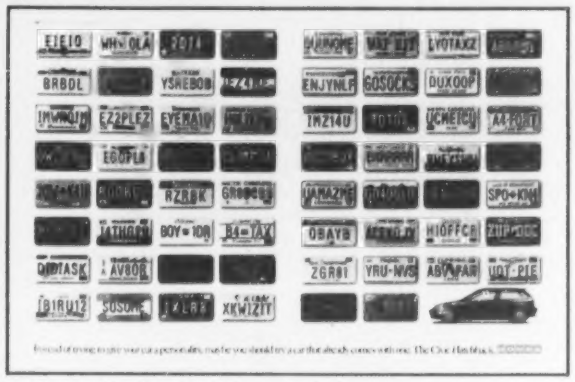
Technology will alter the way messages are sent to prospective car buyers and who receives what message, says Audi's Mr. Hilverda.

"I'm a firm believer that [eventually] you should be able to say, 'I want my commercial only to go to these households' and then you can individually select who sees your spot." □

Raymond Serafin and Cleveland Horton contributed to this story.

Who did that ad?

The young copywriters behind the agency wheels of some hot cars.



Ironing clothes led to this award-winning ad.

Teen passion warms Rubin shop

Jack Fund spent his wonder years hanging around the garage with his buddies.

"I had a '67 Mustang fastback and it was my pride and joy," he recalls. "I also had a '67 Shelby."

Then came college, and thoughts of cars got parked. He went into advertising, first with Gerber Advertising in Portland, Ore., for about three years. Now, at 31, he's working on cars again as senior copywriter at Rubin Postaer & Associates, Santa Monica, Calif., where he works on the American Honda Motor Co. account.

Fund

The grease that got under his nails as a teenager has been a plus. "It certainly helps to be able to get into the mindset of someone [who loves cars]," he says. "It's [also] nice knowing when people are talking about all this technical stuff you can go, 'oh, you mean it means this' and strip it down into something that someone can actually understand."

He didn't have cars on his mind when he left Portland.

"I finally just said I've got to get out of here, I've got to work on something high profile. So I came down to Los Angeles without a job and connected up with Larry [Postaer, agency principal and exec VP-creative director]. He had some good vibes for me and I from him. I've been working here for three years."

In retrospect, it seems fitting that he wound up at Rubin Postaer. "I always thought, 'I hope I can work in a place like that and do stuff like that.' "

He says his ideas for Honda commercials can come from anywhere. "They just come out of the ether. You'll get a strategy handed down for a certain car and you'll look at it and stare at your [art director] partner for days on end and out of nowhere it will just click and you'll go, 'What if we did this?' "

He says one great idea came to him when he was ironing. "My mind was wandering, and I just thought of something," he says. The campaign he thought of featured dozens of vanity license plates and later won several awards, despite coming out only weeks before a similar ad for Subaru of America.

Sometimes he gets inspiration on the road.

"We were working the Civic last year. I borrowed the car and put 900 miles on it." The weekend drive resulted in a spot that opened on a blacktop road. Toward the end, the car moves past and the voice-over says, "Feel free to hum along."

"Basically that one came from doing exactly that," he says. "Driving for six hours, just cruising along like at 65-70, putting your mind on hold and just the car was perfect. You could cruise all day like that." □

—Jon Lafayette

Regional tastes

(Continued from Page S-4)

the so-called national media to offer such things as split-runs in magazines and regional feeds for the networks. But there are ways to fine-tune even further today.

"Information today is so much better that you can go further than regionalize your message," says Vic Olesen, president of Vic Olesen & Partners, Los Angeles, a consultant to General Motors Corp. "Now you sectionalize, 'city-ize,' even 'block-ize.' "

Mercedes' split account

A recent dramatic example of the regionalization trend came this February when Mercedes-Benz of North America split its account, estimated at $130 million in combined national and regional spending. Scali, McCabe, Sloves, New York, was named to handle national, image-creating advertising while its affiliate, the Martin Agency in Richmond, Va., will handle regional, tactical-oriented work.

The Mercedes agency split follows a decision by the German importer in late 1990 to decentralize its U.S. operations, shifting most authority to four regional organizations.

Albert Weiss, general manager-marketing communications at Mercedes, says those regional organizations now control about half of Mercedes' total budget for ad spending, a percentage expected to grow over the next few years.

General Motors Corp.'s Chevrolet division and Nissan Motor Corp. USA already have extensive regional ad programs in place.

Chevrolet spends an estimated $75 million, or 20% of its ad budget, on regional ad efforts controlled by four area marketing managers, who focus their efforts on core products with volume and growth potential.

Chevy tailors product

"Different products appeal to different markets," says Richard O'Connor, chairman-ceo of Lintas:Campbell-Ewald, Warren, Mich., which handles Chevrolet's national advertising and oversees regional offices that work with Chevy's regional marketing teams.

"Texas is a huge market for Suburbans [Chevrolet's full-size sport utility truck]," says Mr. O'Connor. Regional advertising created for that market pitches the Suburban as "the national car of Texas."

"But if you go to the Northeast, you can just about forget selling Suburbans. You have to put your money where your prospective customers are," Mr. O'Connor says.

Regions choose media

At Nissan, fully 50% of its estimated $250 million ad budget is doled out to its seven regions. And each region carries autonomy in choosing media.

"This is designed to let us address problems or attack opportunities as locally as possible," says Earl J. Hesterberg, VP-general manager, Nissan division.

Despite higher costs per thousand, regional media programs become more efficient as they eliminate waste, Mr. Hesterberg says. "We need to spend more efficiently and we need to move quicker than the other guy."

Nissan effectively eliminated its regional dealer groups several years ago and consolidated the work at its national agency, Chiat/Day/-Mojo, Venice, Calif. The move was prompted primarily by the need to make sure regional campaigns dovetailed with national ads.

> "If you only had a dollar to spend, you'd go to the place you sell most of your cars."

Nissan and other Japanese import marketers learned to exploit nontraditional media strategies in part because of necessity. Their domestic competitors enjoyed well-established, national distribution and held long-term relationships with the national media. That left the imports locked out of many of the traditional network TV programs aimed at the prime car-buying demographics.

In many cases, the imports have found that spot TV allows them to direct their ad messages to where their distribution is strongest.

"The old 80/20 or 70/30 rule applies," says Tom Somerset, senior VP-director of marketing services, Foote, Cone & Belding, Santa Ana, Calif., agency for Mazda Motor of America. He points out that the majority of sales come from a fraction of the overall dealer body.

"If you only had a dollar to spend, you'd go to the place you sell most of your cars," he says.

Other marketers also are exploring regional strategies, even if they haven't decentralized their operations. GM's Pontiac division in the past has run California-only outdoor advertising, to reach the mobile West Coast crowd. Ford last year ran some Escort TV spots created specifically to boost California sales.

Three reasons

Ford's Mr. Magee lists three factors as driving regional marketing programs: a desire to test a particular concept before going national; a way to capitalize on a marketer's strength or adjusting to a particularly difficult competitor; or differences in weather that affect consumer preferences when it comes to choices, such as front-wheel drive vs. rear-wheel drive or two- vs. four-wheel drive.

"There are times when regionalization is not only economical, but the only logical thing to do" because of regional biases toward products, says Randy Schroeder, exec VP, management director-media at Campbell-Mithun-Esty, Southfield, Mich., which handles both national and dealer group advertising for Jeep/Eagle.

Jeep/Eagle dealer regional ad groups have taken the unusual step of pooling their funds a couple of times to buy network time, which is considerably less expensive than spot TV on a CPM basis.

Mr. Schroeder says the agency now is looking at ways of matching up Jeep or Eagle products with those of other Chrysler divisions.

Confusion factor looms

One pitfall to regionalization is the increased chance for producing confusing and conflicting brand images. Some marketers such as Nissan and Chrysler keep the conflict to a minimum because national agencies handle dealer marketing groups. But General Motors' dealer ad groups are virtually all handled by agencies other than the ones that create national advertising.

"The real issue in dealer marketing is to make sure the messages by the factory and dealer marketing group are complementary," says Philip Guarascio, GM's executive-in-charge of corporate marketing and advertising. "We make a lot of effort to make sure dealers understand the value of that." □

Who did that ad?

The young copywriters behind the agency wheels of some hot cars.

Treating cars like just another item

Phil Glist took a course at the Advertising Center and got lucky.

One of his teachers was Ed Cole, co-creative director at Foote, Cone & Belding, Santa Ana, Calif.

"I showed him my portfolio after I finished his class," Mr. Glist recalls. At the time, Mr. Cole was making changes in the agency's creative department, and Mr. Glist landed a job writing copy for the Mazda Motor of America account. "It's pretty unusual to get the kind of TV experience that I've been getting," says Mr. Glist, who had been tending bar and waiting tables.

"Jalapenos" helped make the Mazda MX-3 a hot commodity.

The 29-year-old copywriter says he isn't a car nut, but he's learning. "They weren't looking for people who were car nuts. It's easier for people like myself who just treat cars as another product to get inside the heads of people who look at them the same way, as pretty much a big-ticket purchase or an expensive thing to buy," he says.

Sometimes knowing details about the car is a must, so Mr. Glist is picking up expertise quickly. "I had to write an insert [for Mazda's RX-7] that is directed at car buffs—all about the rotary engine and power-to-weight ratio," he says.

His key project has been launching Mazda's MX-3.

"Since it was a new car, we thought the styling would stand out from the other cars, like the Paseo it was competing with. And it was the only one with a six-cylinder engine, so you had to communicate that.

"But we wanted to communicate that this was not a car that everybody was going to like," he says. "Mazda's in a unique position of being a niche marketer."

The result was the "Jalapenos" spot.

"We took a fairly loose storyboard to a fairly young director named Steve Chase, who did wonderful things with the visual side, as did my partner, [Art Director] Kevin Murphy," he says. "It's funny because Mazda's advertising is not the hippest generally. It's real emotion-oriented but it's not usually cutting edge. We got a lot of nice stuff in there. And from what I hear, the car's doing real well."

The campaign drew attention inside the ad world.

"Other people in the agency have come to me and said they've gotten calls from friends in the industry and in production and said, 'Who's the director?' 'Who's the editor?' Actually the best response was from an art director here who asked me, 'How do you get something like that past a client?' "

Even for a guy who's not a car nut, sometimes you've just got to get behind the wheel and put the pedal to the metal. "I drove the new RX-7. It was amazing—after researching it and writing it for a good eight months—to actually finally get in the car and drive it. Theory cannot do justice to it. It's really much more fun. I got it up to a hundred."

And what does he drive now? "I bought a year-old Miata from someone who had a baby and couldn't use a two-seater anymore." □

—Jon Lafayette

Ford explores teamwork

In the process, carmaker discovers mother lode

By Joseph M. Winski

Team marketing is proving successful at Ford Motor Co., which first used the market-driven approach, at least partially, with its "Team Taurus" program. Out of that came the stylistically bold and successful Ford Taurus and Mercury Sable midsize cars in 1985.

Ford refined the idea of teams working under strong managers in 1987 and credits this new approach for some of the success of its hot Ford Explorer sport utility vehicle.

Introduced in March 1990, the four-door, four-wheel-drive Explorer rapidly overtook Chrysler Corp.'s Jeep Cherokee to become the country's most popular sport utility vehicle. Its sales last year soared 37%, making it the seventh-best-selling vehicle, the first time a sport utility model has cracked the top 10.

Ford has created three so-called "world-class timing" teams to develop its next generation Probe, Thunderbird and Mustang. Designed to get vehicles from concept to market in about three years, they consist of designers, engineers, buyers, marketers and others who work at the same location and report directly to the product manager rather than their functional bosses.

Marketers on the teams "have a great deal of input into the design of the car," says Steve Odell, Ford Division marketing plans manager for specialty cars. They "constantly remind the team what the customer wants. That is their prime reason for being there." □

Listening

(Continued from Page S-8)

cess. When a second fuel crisis occurred in 1979, Japanese car sales spurted again.

This far and no farther, Detroit then said. GM introduced its downsized, front-wheel-drive X-cars; Ford launched its small Ford Escort and Mercury Lynx, which it billed as "world cars." Chrysler bet its future on the K-cars, of which Mr. Iacocca said in ads: "America's not going to be pushed around anymore."

Detroit also demanded, and got, "voluntary" import restrictions on Japanese autos.

The economy improved and the yen strengthened—making Japanese cars more expensive in dollars. The fuel crisis abated, big cars began to sell again and U.S. carmakers posted record profits.

Record losses

But by the end of the 1980s, with another recession looming, Chrysler was once again in deep trouble, GM was frantically paring excess capacity and the Big 3 were heading for record losses.

Detroit, it turned out, hadn't really changed at all. It still managed for short-term profits and still turned out cars through its vertical "chimney" system, in which each function, from design to marketing, operated in virtual isolation.

Marketing was a separate but hardly equal chimney. GM, long dominated by financial executives, didn't even have a consumer market research division until 1985, auto analyst Maryann Keller reported in her 1989 book on the automaker.

Historically, Theodor R. Cunningham, Chrysler exec VP-sales and marketing, admitted in a speech at the *Automotive News* World Congress in January, "marketing in Detroit has always focused on moving the 'iron' off the shelf, instead of deciding what to put *on* the shelf in the first place."

The Japanese take marketing much more seriously. Kim B. Clark, a Harvard Business School professor who has studied Japanese auto production, attributes Honda's success, for example, to project teams that "focus the whole [product] development organization on customer satisfaction."

Team members, chosen from all the disciplines involved, including marketing, work together under strong "product managers" on everything.

"Detroit has always focused on moving the 'iron.' "

Keeping an eye out

Marketing is hardly the sole province of marketing executives. Mr. Clark tells of Honda product managers who "spend hours watching people on the street, observing styles and listening to conversations. Department stores, sports arenas, museums and discotheques are all part of their 'market research' beat."

The Japanese strategy, says Mr. Kotler, was to establish a beachhead with high-quality small cars that built consumer loyalty and then move up-market with more expensive and more profitable larger cars.

Thus, for example, the Honda Civic was followed by the Honda Accord, then a larger Accord and, most recently, the Acura Legend.

Honda has been "absolutely brilliant" in moving with its market, FCB's Ms. Cutler says. "There's never been a reason to leave the franchise: If you're ready to move up, they've got it for you."

Detroit belatedly is conceding the Japanese know a thing or two. Ford Motor Co. partly embraced teams (*see accompanying story above*). General Motors unabashedly stole from the Japanese in setting up Saturn Corp. as an independent operation—in effect a large project "team."

Saturn, whose sales are soaring in a down market, kept its eye firmly on its target—buyers of inexpensive Japanese imports, interviewing thousands of them in developing the car.

Saturn also selected dealers carefully, saturating them with the gospel of customer satisfaction, including elimination of the price haggling that turns off many car buyers.

Walls tumble down

At the "reinvented" Chrysler, as touted in a current corporate ad campaign, the walls between functions have come down and marketers are being listened to, rather than talked at.

"That," says John Damoose, Chrysler VP-marketing, "is a very vital change at Chrysler Corp."

The company organized itself into four "platform teams"—for large cars, small cars, trucks and minivans—in January 1989. "The platform teams have allowed us to *truly* get the voice of the customer into the product development process," says Mr. Damoose.

Chrysler will tell you where it got the idea: from Honda. □

Encore possible for adman Iacocca

So intertwined with ad message, it appears hard to unhinge ceo from commercials too quickly

By Mary Connelly

Lee Iacocca has become so synonymous with Chrysler Corp. the company has found work for the chairman after he retires.

When he steps down as ceo at year's end, Mr. Iacocca will keep his hand on the wheel at Chrysler as chairman of the five-member executive committee. He says he will no longer be the corporate advertising spokesman, but he has said that before and been wrong.

The heavy use of Mr. Iacocca in this, his last year, indicates the automaker may have a difficult time breaking the marketing tie to the highly visible leader, who was swept into the role of public spokesman during the company's brush with bankruptcy in 1979.

This year, Mr. Iacocca will appear in campaigns for two crucial products: the 1993 Jeep Grand Cherokee and a new trio of 1993 mid-size sedans.

Lee Iacocca's ad importance will increase this fall when the Intrepid, Concorde and Vision sedans are launched.

The Iacocca advertising is part of an 18-month corporate campaign, created by Bozell, New York, that broke during the 1992 Winter Olympics in February.

Image booster

The initial effort in the drive was designed to improve Chrysler's image against foreign brands. In it, Mr. Iacocca stresses Chrysler's restructuring of its product development process, the construction of a $1 billion technology center and new products.

Appearing with three products—the Dodge Viper sports car, Grand Cherokee and Dodge Intrepid, one of the mid-size sedans—he acknowledges the foreign competition. While implying some consumers don't have a high opinion of U.S.-nameplate vehicles, he claims Chrysler vehicles can compete with the best in the world.

As the year goes on, his role will be even more important.

His TV spot for the launch of the Grand Cherokee is scheduled for spring. The vehicle is Chrysler's bid to regain dominance of the sport-utility market, lost to the Ford Explorer.

Later in the year, the Chrysler chairman will be seen in advertising for the Intrepid, Chrysler Concorde and Eagle Vision, the sedans the company maintains have reached standards of world-class manufacturing quality.

At the March 16 press conference where Mr. Iacocca announced that Robert Eaton, the former head of General Motors Corp.'s European operations, would succeed him as chairman, Mr. Iacocca said he had one additional commercial to shoot, presumably for the LH sedans.

"It's hard work," Mr. Iacocca said in explaining why he didn't want to be the corporate spokesman any longer. Referring to the shooting for the Grand Cherokee commercial, which he completed in March, he said: "This one was 100 takes and eight hours. I don't get paid for it."

"I'm outta here," he added.

The LH sedans are Chrysler's first all-new cars since 1980 and critical to the company's future in the car business.

And this yearlong buildup of Mr. Iacocca's image, culminating in his presence in the ads for the sedans, may make it especially difficult for Chrysler to drop him come December.

Indeed, his use this year, during a lengthy manufacturing launch for the sedans with initial limited vehicle supply, may almost ensure an encore performance in 1993, when production volume will increase.

Warning signs

But one observer warns against keeping Mr. Iacocca in front of the cameras for too long.

There are signs Mr. Iacocca's effectiveness is waning, says Steven Levitt, president of researcher Marketing Evaluations/TVQ.

In an annual evaluation of 1,474 American personalities in 1991, the researcher found Mr. Iacocca's positive rating dropped four percentage points from 1987 to 1991, while his negative rating rose six percentage points.

"I'd look at these numbers and I would worry," Mr. Levitt says. "I would wonder if there is a more effective way to advertise. Lee Iacocca is not generating the same response as he did four years ago."

But a Chrysler marketing spokeswoman says Chrysler's own research conducted prior to the creation of the new Bozell campaign disputes those findings.

"He is believable and sincere and he has high recognition numbers," she says.

He also he seems to satisfy what Chrysler considers an important goal of its current advertising.

Japan Inc.

"It used to be that all the Japanese car companies were perceived as one—Japan Inc. There was no real differentiation," says John Damoose, Chrysler's VP-marketing, in an internal company publication. "Today, the domestic Big 3 are seen as indistinct. Today, it's the Big 3 whose image has blended together as Detroit, which is often used as a term of derision. A big part of our goal is to separate Chrysler from the domestic Big 3."

Chrysler still seems to think Mr. Iacocca, today and maybe sometime into the future, can do that job better than anyone else. □

Green

(Continued from Page S-34)

closer to market. Their exhausts are considered less dangerous to the atmosphere than that of gas or diesel engines. "While [alternative] fuels have positive attributes, there are some trade-offs," says Ford's Mr. Fenstermacher.

Trade-off problems

"The principal trade-off is range and convenience. Alternative fuels are not widely available."

Flexible-fuel vehicles, which operate on a combination of fuels including gasoline, already are available in limited quantities to companies with private fleets.

Chevrolet is to deliver 1,200 1992 Luminas that operate on a mixture of 85% methanol and 15% unleaded gasoline.

"The lessons learned as consumers adapt to alternative-fuel vehicles will be invaluable," says Gery Jankovits, the fleet manager for alternative fuel vehicles at Chevrolet.

"This is uncharted territory. No one has a roadmap yet."

Summer tests

Chrysler plans to start general sales of methanol-burning Dodge Spirits and Plymouth Acclaims in California this summer. Its offerings are flexible-fuel vehicles because they can use M85, unleaded gas or any mixture.

The federal government has ordered 2,500 of the cars, but dealers in California will be able to sell them to anyone. Chrysler expects to sell 100,000 of the vehicles in the 1994 model year.

This week, Chrysler intends to deliver 50 full-size vans that run exclusively on compressed natural gas to a California fleet.

An issue beyond fuel is the ozone-depleting chlorinated fluorocarbon refrigerants used in auto air conditioners. The refrigerant usually known by its trade name Freon is being replaced with a CFC-free refrigerant.

Although the new refrigerant requires costly changes to air conditioning systems, automakers have been quick to accept it, well before a worldwide ban on CFC is scheduled to start in 2000.

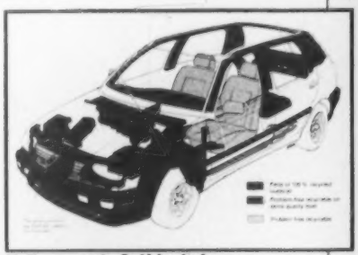
On March 2, Ford became the first U.S. manufacturer to build CFC-free Taurus models and plans to test-market the cars in Texas this year. Mercedes-Benz is also building CFC-free cars.

Manufacturers expect to bear more of the burden for recycling what they sell in the near future.

Volkswagen AG in Germany became the first automaker in the world to set up a pilot program to recycle scrap cars in 1990.

BMW of North America is leading the way in the U.S. It will start a pilot recycling program this spring with the Automotive Dismantlers & Recyclers Association.

The plan combines recycling with marketing incentives to sell new BMWs. During the first phase of the program, BMW will offer a $500 discount on a new BMW purchase when owners return their worn-out BMWs to authorized recycling centers.



Volkswagen's Golf includes recyclable parts, indicated by the shaded areas. Parts are coded to make the separation process easier.

Rich Brooks, a spokesman for BMW, says vehicle recycling isn't yet a popular buying consideration, but he notes that "people who buy our products are predisposed to environmental concerns and apt to do something about it."

Awareness ads

American Honda Motor Co. is among the few companies in the U.S. that created advertising devoted to raising awareness about the environment. It's marketing the 1992 Civic VX with a campaign that's literally green.

A print ad in the campaign is in green ink, right down to the Honda logo, which is usually blue. The headline, "Think of what you can save," refers to money, gasoline and the environment.

The corresponding TV spot shows the car with a forest glen growing up around it. □

Corporate ad spending and its efficiency

1991 vs. 1990 model years, ranked by lowest expenditure to unit sold

Company	1991 model year adv. exp. (in thousands)	Pct. change 91 vs. 90	1991 model year unit sales	1991 adv. exp. per unit sold	1990 adv. exp. per unit sold	Pct. change exp. per unit
Maserati	$17	-71.3	240	$71	$248	-71.3
Alfa Romeo	419	-34.9	3,478	121	185	-34.8
Ford	427,442	-5.6	2,907,113	147	136	8.0
Chrysler	349,276	-9.2	1,569,406	223	221	0.6
GM	1,046,777	8.7	4,392,402	238	197	21.2
Honda	222,608	0.9	815,542	273	260	5.1
Mitsubishi	66,008	-6.6	184,443	358	334	7.2
Suzuki	8,548	90.5	21,413	399	202	98.0
Mazda	139,834	-14.1	346,659	403	451	-10.5
Nissan	243,519	-25.2	583,933	417	508	-17.9
Toyota	430,588	10.7	1,011,755	426	373	14.1
Volvo	30,351	-4.3	71,100	427	332	28.5
Volkswagen	53,523	-48.1	119,148	449	641	-29.9
Isuzu	73,911	26.5	124,239	595	440	35.1
Subaru	67,842	-23.8	109,647	619	828	-25.3
Hyundai	83,312	-4.6	127,588	653	620	5.4
Daihatsu	6,448	-11.5	9,661	667	433	54.3
Saab	21,235	24.6	26,445	803	656	22.4
Porsche	5,337	-42.6	5,544	963	1,006	-4.3
BMW	70,069	4.2	55,736	1,257	1,092	15.1
Mercedes-Benz	91,777	8.7	66,158	1,387	1,124	23.4
Peugeot	10,672	38.7	4,211	2,534	1,662	52.5
Range Rover	16,296	-29.6	3,309	4,925	5,052	-2.5
Rolls-Royce	3,266	-4.5	610	5,355	2,849	88.0
TOTAL	**$3,469,076**	**-2.7**	**12,559,780**	**$276**	**$256**	**7.8**

Does not include dealership advertising.

Figures are for measured media only and include consumer magazine; newspaper-distributed Sunday magazine; newspaper; outdoor; network, spot and syndicated TV; cable TV networks; and spot and network radio. Also, figures represent ad spending for vehicles only.

Source: LNA/Arbitron Multi-Media Service and Automotive News Data Center.

Spending hits $3.5 billion

Maserati tops, Ford leads domestics in ad-to-sales ratio

For the 1991 model year, automobile marketers invested about $3.5 billion in U.S. advertising in the measured media monitored by LNA/Arbitron Multi-Media Service (October 1990 through September 1991).

The 24 marketers sold slightly more than 12.5 million vehicles, for an industry ad-to-sales ratio of $276 per unit (*see chart at left*).

Some marketers did better than others in the efficiency of their advertising buys. Maserati Automobiles was No. 1, with an ad-to-sales ratio of $71. But the importer's ad expenditure was a paltry $17,000, according to LNA.

Among the more mass-market car companies, Ford Motor Co. managed an efficient $147 in advertising per unit sold. Ford spent about $427 million on the measured media. Of the Japanese nameplates, American Honda Motor Co. followed No. 5 General Motors Corp. with $273 in ads per unit sold.

Below, the Top 5 spending nameplates in nine media are given for the '91 model year. □

Top 5 in Network TV spending

Brand	1991 model year (thousands)	Pct. change
Ford	150,417	-6.2
Chevrolet	128,765	-1.1
Toyota	119,304	13.1
Oldsmobile	94,193	18.3
GM corporate	94,031	20.6

Top 5 in Spot TV spending

Brand	1991 model year (thousands)	Pct. change
Toyota	99,975	-8.6
Nissan	86,811	16.2
Ford	49,359	30.3
Chevrolet	34,861	-7.5
Mazda	34,148	5.9

Top 5 in Syndicated TV spending

Brand	1991 model year (thousands)	Pct. change
Toyota	16,274	8.6
Hyundai	15,627	306.7
Ford	12,968	17.2
Nissan	12,782	-24.5
Oldsmobile	9,091	47.2

Top 5 in Magazine spending

Brand	1991 model year (thousands)	Pct. change
Ford	89,912	-13.1
Chevrolet	77,385	10.5
Toyota	67,045	50.5
Buick	44,636	29.1
Dodge	33,323	41.4

Top 5 in Newspaper spending

Brand	1991 model year (thousands)	Pct. change
Mercedes-Benz	27,359	35.6
BMW	18,805	18.3
Chevrolet	16,547	-12.5
Isuzu	12,308	975.3
Ford	12,276	-4.9

Top 5 in Network radio spending

Brand	1991 model year (thousands)	Pct. change
Volkswagen	12,662	3.4
Audi	10,112	-37.4
Dodge	9,909	49.2
Buick	7,819	-18.6
Subaru	6,165	75.5

Top 5 in Spot radio spending

Brand	1991 model year (thousands)	Pct. change
Chevrolet	11,022	4.1
Chrysler	10,763	-10.4
Mercedes-Benz	8,613	112.1
Acura	5,510	-15.2
Volvo	4,795	-36.4

Top 5 in Cable network spending

Brand	1991 model year (thousands)	Pct. change
Ford	10,508	63.1
GM corporate	6,294	53.1
Toyota	5,571	24.1
Volkswagen	5,433	24.4
Chevrolet	4,663	92.1

Top 5 in Outdoor spending

Brand	1991 model year (thousands)	Pct. change
Saturn	2,122	5,287.1
Chevrolet	1,622	-33.2
Nissan	1,238	59.1
Ford	1,164	-41.1
Toyota	803	42.8

Toyota takes bow

(Continued from Page S-14)

1 in promotions.

"They have many national sales events and spend gobs of-money supporting them," Mr. Hagelstein says. "They bang the hell out of key markets."

All of this helps to raise awareness.

"Toyota's marketing is extremely traditional, almost domestic," says Mark Gjovik, exec VP-group account director, D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. "They do the basics well. They pre-plan their promotions."

Although Toyota's advertising is rarely cited for creative prowess, the company's competitors gave upscale Lexus the highest score in the survey.

"That's probably because of the introduction of the SC400," says Mr. Postaer. "That was a good campaign, the opening wave, including that double fold-out insert. Even I liked that."

Others praise the entire introduction of the new division. "They really left no stone unturned," says Mr. Peterson. "The launch of Lexus was textbook perfect."

Team One's advertising earned high praise for its restraint as well as its attention to detail.

"Lexus' creative is almost sublime," says Mr. Gjovik. "It communicates the idea that 'god is in the details,' and it tells it to you one detail at a time."

Many car commercials try to cram in as many details about the vehicle as possible, a temptation Lexus has avoided.

Having entered the U.S. in 1958, Toyota can now market its cars with American nostalgia.

"It is always tempting to try and put too much in a commercial," says Jay Qualman Jr., general director of advertising for General Motors Corp.'s Buick Division. "When you have 30 seconds, someone will say, "let's talk about four or five key product features."

Lexus tends to focus on a single attribute, such as smoothness of ride in its "Champagne Glasses" commercial or the sound system in its "Rain" spot.

"One exquisite detail after another," says Mr. Gjovik.

In the area of sports marketing, Toyota tied with Chevrolet for the highest score in the Power survey. Toyota's high ranking probably can be attributed to years of high-profile sponsorships.

Examples include the Toyota Grand Prix and its name recognition, as well as a $270 million, four-year deal with CBS for Major League Baseball and its support of the Skins Game golf tournament. The latter draws one of the biggest ratings of any golf event.

Toyota didn't score as well on the subject of green marketing, but another Japanese car company did: Honda.

Honda, which sells more cars in the U.S. than Toyota, has only produced one print ad (printed in green, including the traditionally blue logo) and one spot with environmental themes. However, it has consistently promoted high mileage for many years.

Honda's advertising also stands out because so few automakers in the U.S. currently use environmental themes in their advertising.

With much of the envy of Toyota stemming from its marketing war chest, and given that all the Japanese car companies now face significant profit reductions, Toyota's hold on the leadership marketing position probably will soon be put to the test. □

Raymond Serafin contributed to this story.

No waking up from nightmare

New England auto dealer: 'Next person to go is me'

By Jim Henry

Automobile dealers in the Northeast are using every club in the bag to drum up business.

Last year was the second year of a nationwide recession in auto sales, but many Northeast dealers were getting hammered for the third or fourth year.

"I lost money [in 1991] for the first time," says Robert Filardi, who owns Dor Porsche-Buick in Roslyn, N.Y. This happened despite cutting his payroll to 27 employees from a high of about 40.

Surviving dealers are

hanging on by unglamorous, tried-and-true methods—selling used cars, promoting service and parts and cutting advertising. (To save money, one dealer says he even cut his trash pick-up from twice to once a week.)

Such tactics might not seem big, but survival has replaced profit as the goal for many dealers.

"It was a horrible year," Mr. Filardi recalls. He sold only 35 new Porsches, compared with 175 in 1986.

He was encouraged that he sold seven Porsches and 32 Buicks this past January, the best month he's had for Buick since he picked up the franchise about a year ago.

Conditions have been particularly bad in New England because of banking and real estate crises on top of unemployment.

In Rhode Island, for instance, the private fund that insured the state's savings & loans was forced into bankruptcy in January 1990.

The state froze the bank accounts of about a third of the state's residents, and some still don't have their money back.

"It seems like everything is happening at the same time," says Aldo Sammartino, a dealer in East Greenwich, R.I. He has cut his staff to 16 from 25 two years ago.

"I got no place left to cut now," he says. "The next person to go is me."

Mr. Sammartino says selling program cars—cars previously in rental programs for up to about 15,000 miles—has helped him get by. He says his Bay Buick store used to average 480 new cars a year; 200 of the 444 cars he sold last year were used.

"I've become much more active in used cars. I go to the auction at least every other week to look at program cars. I fought it for three or four years, but I have to do it to survive," Mr. Sammartino says.

"I've been in the business 18 years, and I'm working harder now than when I started. You're seeing [dealers] who haven't worked in the business in 10 years back out on the showroom floor again. Guys are going to the auctions that haven't been to the auctions in 25 years," he says.

Many dealers aren't making it. From January 1989 to December 1991, the number of dealerships in the six New England states plus New York, New Jersey and Pennsylvania fell 7.4% to 5,067, according to National Automobile Dealers Association. The U.S. total fell 5.5% in the same period, while Massachusetts dealerships fell 11.5%, Rhode Island, 13.3%.

"I didn't make it," says a New York-area dealer who filed for Chapter 11 bankruptcy protection last year, after spending half his life working at the family dealership. "I'm still convinced we did everything right that we could control," says the dealer who asked not to be named.

"In the New York area, I don't see an end in sight," he says. "Things are so bad here, even the used-car business is hurting."

Some automakers have tailored their operations to help shore up the Northeast.

Subaru of America, for instance, has a pilot captive-financing arm in New England, in partnership with Nissan Motor Acceptance Corp. It's to help dealers with wholesale and retail financing.

Subaru of New England, an independent distributor, has a much higher percentage of exclusive Subaru dealers than the rest of the country, and the exclusive franchises don't have ready-made financing through other franchises.

Pontiac's New York-based zone started a low-cost lease program for the '91 model year that was so successful the idea was used nationwide.

The program has since been discontinued, but it was "probably the savior of Pontiac in this area" last year, says longtime dealer Eli Bloom, owner of Bloom Pontiac and Saturn of Long Island City (N.Y.).

Mr. Bloom says he still has faith a cyclical business like the auto industry is bound to come back—but says the cycles have gotten longer.

"To say it's the worst ever, I don't know about that; but it's as bad as I've seen it, and it's lasting longer," he says.

He says he has resorted to "very few" layoffs, and has cut, but not eliminated, advertising.

"You can't cut your insurance. You can't cut your heat and light and power . . . So you look at things you can control," Mr. Bloom says.

Is there an upturn in sight?

Mr. Bloom says showroom traffic picked up in January. "It didn't translate into sales to the extent I would like; people are taking longer to make a decision. But the encouraging thing is an awful lot of people are out there looking, and where there's smoke there's fire." □

Ford dealer spending leads pack

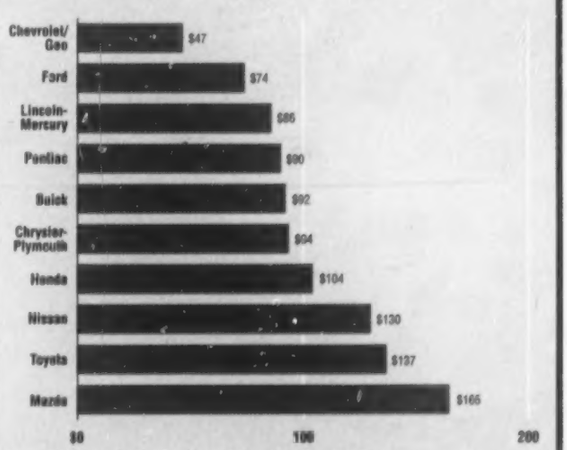
The vehicles of Ford Motor Co. top other automakers in ad support from local dealers and dealer association groups, according to figures from LNA/Arbitron Multi-Media Service, with a total of about $173 million (*chart below*).

In efficiency of dealer/-dealer group advertising, General Motors Corp.'s Chevrolet and Geo nameplates came out on top, with Ford No. 2 (*chart at right*).

National Automobile Dealers Association estimates dealers spent $3.6 billion on ads and promotions in 1990, using dealer-supplied figures. □

Local ad efficiency of top brands

Top 10 automotive lines by total measured dealer advertising in 1991 model year, ranked by spending per unit sold.



Source: LNA/Arbitron Multi-Media Service, Automotive News Data Center

Local dealer and dealer association ad spending

1991 vs. 1990 model years, ranked by total expenditure

Make	Local Dealer adv. spend. (in thousands)	Pct. change 91 vs. 90	Association adv. spend. (in thousands)	Pct. change 91 vs. 90	Total (in thousands)	1991 adv. exp. per unit sold	Pct. chg. adv. exp. per unit 91 vs. 90
Ford	$71,777	-28.6	$101,095	-14.6	$172,872	$74	-6.4
Toyota	50,899	-17.0	78,562	-6.2	129,462	137	-7.1
Chevrolet/Geo	57,706	-32.3	50,214	-37.5	107,920	47	-25.2
Nissan	36,640	32.1	35,500	255.0	72,140	130	114.8
Honda	18,668	2.1	51,576	-3.6	70,243	104	2.6
Mazda	9,893	39.2	47,375	-9.4	57,268	165	0.4
Buick	14,546	-17.2	35,305	12.3	49,851	92	-3.1
Lincoln-Mercury	16,911	-33.9	31,604	-35.1	48,515	86	-29.2
Pontiac	8,327	-24.1	39,908	-14.3	48,235	90	3.0
Chrysler/Plymouth	20,559	-18.6	27,484	-9.5	48,043	94	4.8
Dodge	17,773	-32.7	27,196	-15.3	44,969	54	-20.5
Oldsmobile	10,723	5.0	32,701	-14.3	43,424	91	-1.2
Jeep	6,496	-30.2	33,971	-2.8	40,467	230	7.4
Hyundai	7,992	-21.9	31,882	10.0	39,875	313	12.3
Cadillac	13,449	-32.9	23,058	-43.2	36,507	167	-29.2
GMC	6,881	-50.0	26,161	-19.4	33,042	114	-19.5
Lexus	15,439	28.1	16,735	82.8	32,175	492	25.9
Acura	10,934	0.1	19,045	1.0	29,979	216	1.8
Mitsubishi	6,936	17.5	20,209	-18.3	27,145	147	1.7
Infiniti	22,287	38.4	1,666	-73.1	23,953	829	-36.3
Isuzu	1,996	-24.6	14,875	-13.5	16,871	136	-9.2
Mercedes-Benz	4,166	-30.8	10,288	-11.0	14,456	219	-6.7
Volkswagen	8,399	84.2	5,592	-56.6	13,991	132	4.8
BMW	9,371	107.0	3,784	-61.4	13,155	236	1.4
Saturn	7,879	—	1,196	—	9,075	179	—
Volvo	3,533	-25.4	3,265	-68.8	6,797	96	-40.0
Subaru	3,217	-33.6	2,929	-9.3	6,146	56	-25.3
Saab	2,809	33.0	2,787	-50.7	5,597	212	-29.2
Jaguar	4,213	-8.2	1,040	-5.2	5,254	446	50.5
Audi	1,024	9.2	1,213	-63.3	2,237	170	-10.2
Peugeot	176	-71.8	716	-68.6	892	212	-66.2
Range Rover	—	—	689	-43.1	689	199	-24.1
Suzuki	360	-74.6	232	-79.8	592	28	-76.0
Porsche	253	-89.5	75	—	328	59	-34.2
Daihatsu	274	-12.6	—	—	274	28	52.3
Alfa Romeo	103	-78.4	—	—	103	27	-82.5
Sterling	—	—	80	-91.4	80	23	-89.0
Lotus	43	21.3	—	—	43	134	21.3
TOTAL	**$472,695**	**-14.6**	**$780,907**	**-13.7**	**$1,252,662**	**169**	**-13.6**

Figures are for measured media only and include consumer magazine; newspaper-distributed Sunday magazine; newspaper; outdoor; network, spot and syndicated TV; cable TV networks; and spot and network radio. Also, figures represent ad spending for vehicles only.

Source: LNA/Arbitron Multi-Media Service and Automotive News Data Center

Program cars turn quagmire

Carmakers' effort to control flow in Florida founders

By Lindsay Chappell

Florida is the center of a nettlesome problem for carmakers.

Last year, about 20 million tourists arrived in Florida by plane, many of them needing a car. As a result, Florida rental agencies purchased about 300,000 new cars. That's 3% of all the new-car sales in the U.S.

The automakers aren't complaining about sending that many cars into Florida, especially since Ford Motor Co., General Motors Corp. and Chrysler Corp. own pieces of major rental chains. The problem is getting the cars out of Florida four to six months after original delivery.

After a few months and a few thousand miles, these rental cars—and those in daily rental fleets elsewhere in the country—are returned to the retail market for resale as so-called "program" cars.

But a recent gambit by U.S. carmakers to gain better control of this huge fleet of program cars looks to be petering out.

GM, Chrysler and Ford all established factory-direct operations last year to move thousands of cars a week from daily rental companies to dealers for used-car sales.

But Chrysler shut its operation down early this year. Ford's effort could end by summer, and GM's attempt is hobbling along with a volume of about 2,000 cars a year.

That probably leaves the factories back where they started—letting national auction chains distribute the cars.

That's good news for the auctions, which derived about $5 billion from such cars last year. It's also an indication the program-car phenomenon has become too big for simple solutions.

Rental companies last year bought one-fifth of the nation's entire new-car volume, according to *Auto Rental News*, a trade magazine. Many dealers say the surfeit of low-mileage, good-condition used cars is luring buyers away from new cars.

If program-car mileage is too low, pricing on new cars can be undercut. If program cars aren't evenly redistributed around the country, used-car pricing can be undermined.

Although factories and auctions police the trade to prevent "unauthorized buying," it goes on anyway.

Chrysler last year opened an office in West Palm Beach, Fla., to establish dealer-direct sales. Chrysler contended dealers would find it more efficient to order the used cars from the factory than to travel to an auction. But lack of dealer interest caused its closing.

GM's dealer-direct operation also was launched in Florida. Unlike Chrysler's, it's still in business. Dealers phone or fax the office to find out what vehicles are coming back into the market. The dealers can buy the cars sight unseen at set prices before they're passed along to the auction companies.

These experiments raised eyebrows at the auctions, where the idea was apparently more threatening in theory than in practice. GM moved about 700,000 program cars through auctions last year, Ford moved 350,000, and Chrysler about 250,000.

Dale Hermiller, executive director of GM's fleet redistribution operation in Detroit, is quick to allay the auctions' concerns.

"It's not that we're trying to bypass the auctions and save a lot of money," he says. "The auctions will always be the major redistribution method. Our intention is to try to gain better control of what's happening out there."

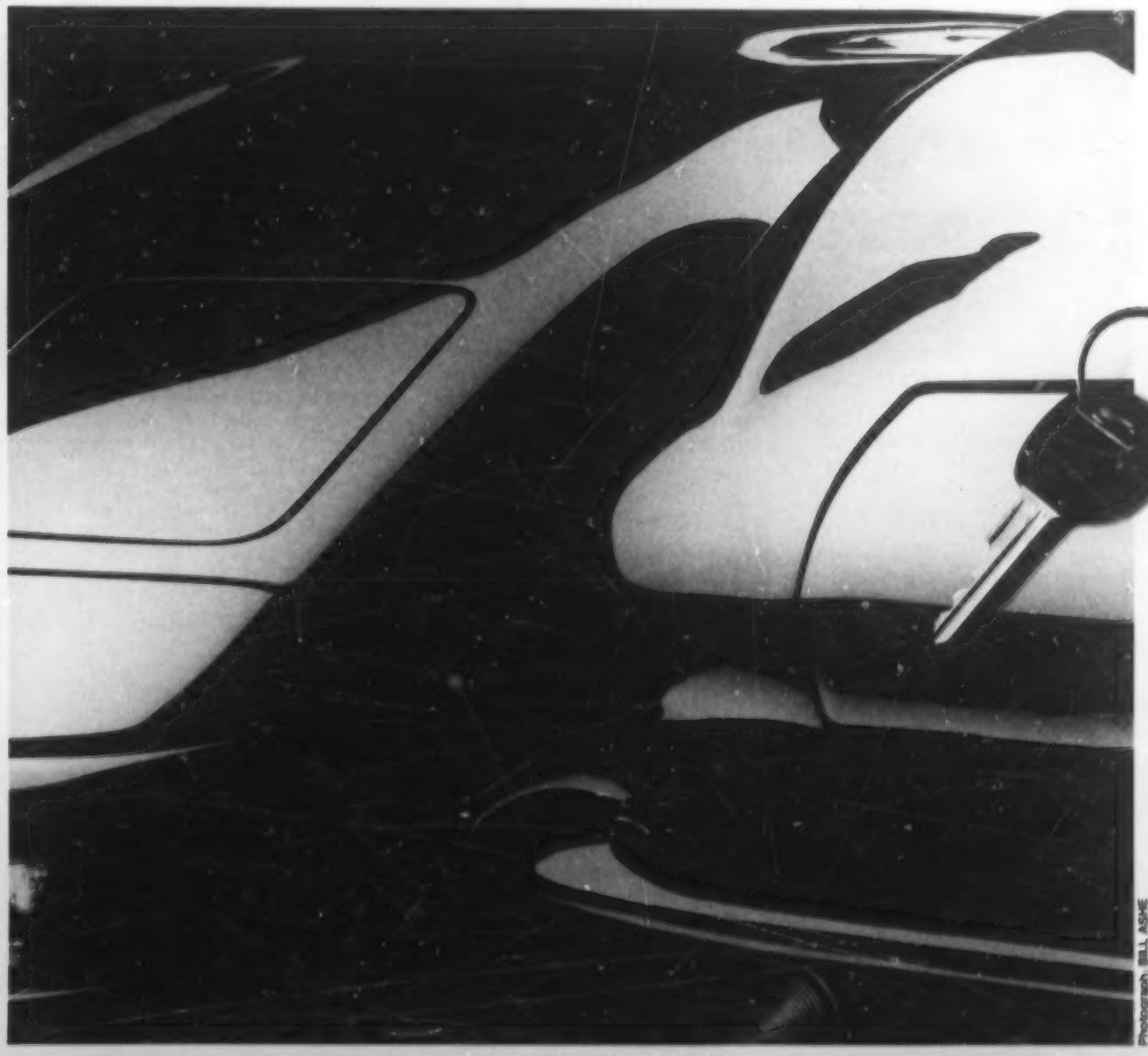
Ford took a different direction in its dealer-direct experiment by opening four "123 Ford" stores specializing in existing dealerships in different regions of the country to specialize in program cars.

Indications are sales at those stores have been disappointing so far, and Ford appears to be reconsidering the idea.

Carmakers now are looking for other means of regaining market control. They're reducing the overall program-car volume by selling the rental companies fewer cars during the year. In 1991, most rental agencies turned their fleets over three times, keeping cars an average of four months. Due to factory policy, many will cut back to a six-month cycle this year.

That also will push up the mileage on the average program car. Mr. Hermiller says the average GM program car showed about 10,000 miles at the beginning of 1991 but had increased to 13,000 by yearend.

Tom Cunningham, Ford's manager of vehicle remarketing, says his company's program cars are beginning to show up near the 20,000-mile level. □



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In Europe, image is key

As exec puts it, 'Lexus and Infiniti are fantastic cars but lack class'

By Diana T. Kurylko

Writing from Frankfurt

With the prospect of European Community quotas on Japanese cars being dropped in eight years, European manufacturers already are playing up an attribute those competitors won't be able to buy or build: heritage.

And that isn't necessarily the automaker's country of origin.

For a German manufacturer like BMW, it's superior engineering. A.B. Volvo of Sweden has a reputation for safe cars. Italian Alfa Romeo rides on the laurels of engines that won numerous races. The French Renault has savoir-faire.

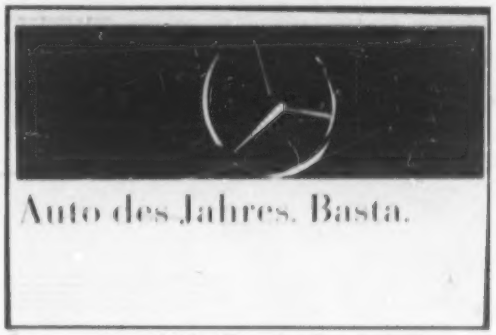
In that subtle European way, the major marques are solidifying images created over decades.

"The Japanese are creating an impetus to have traditional European car manufacturers look at what their cars stand for," says Douglas Thursby-Pelham, management supervisor at ad agency Publicis, London, which handles Renault. "The Japanese are advanced technologically. They are great copiers, but one thing they can't quickly appropriate is heritage. Lexus and Infiniti are fantastic cars, but they lack class."

German-based Volkswagen AG, Europe's No. 1 automaker, is stressing safety and environmental friendliness in its cars.

"As far as safety and the environment go, this is a differentiator. We will be more advanced than the Japanese and the competitors," says Hans Hungerland, member of the VW management board responsible for Volkswagen/-Audi sales worldwide.

Alfa Romeo is climbing upstream and counting on its performance image to lure buyers. It no longer is just building sports cars like the Spider or "pure Alfas" like the 75, high on performance but short on comfort. Alfa models are becoming bigger and more luxurious—competition for Audi, BMW, Mercedes-Benz and Volvo.



German commercial for Mercedes-Benz touts the nameplate as "Car of the Year. Period." European automakers are pushing image hard.

Philip Gamba, VP-marketing at Renault, believes Japanese brands lack the "French touch" of that automaker's designs and credibility. "We have culture and a touch at making cars the Japanese don't," he says.

The major difference between French and Japanese cars is cost, Mr. Gamba says. But he adds, "We have eight years to get on the same level with price and in our way of work."

These days, Renault is "building a car for the occupant with a lot of effort on comfort," he says. "We believe the car cannot be for status; we are not prestige-oriented."

BMW is trying to communicate not the prestige of owning a luxury marque but "the inner value" of its cars, says Richard Gaul, a company spokesman.

"In our price class, safety and comfort will be of more importance than the outlook and presence of being affluent," he says. "To communicate value in products will be of growing importance."

BMW's edge may be its German heritage, but it leaves itself room to assemble cars elsewhere. "BMW is engineering in our environment. Made in Germany or made in Europe will all be the same," he says.

Audi will play up the Germanness of its cars.

Neil Christie, account director on Audi at London agency Bartle Bogle Hegarty, says the Japanese are associated with value for money, high specifications and technical expertise.

"The [European] car market will have to be more focused about developing their individual [brand] images and reputations," he says.

But not every car company will want to stress its country of origin, Mr. Christie says.

"It would be much more difficult for a car company like Rover Group to emphasize its country of origin since the U.K. isn't an appealing country of car manufacturers."

Similarly, Mr. Christie says, Volvo probably will continue to advertise safety rather than its Swedish heritage.

Matsola Palm, exec VP of Volvo, says the company is focusing on four areas that have been key for the Swedish maker: "safety, environmental care, reliability and durability."

But as other carmakers stress these features, Volvo's fight to differentiate itself from the competition will become more difficult, he admits. "If you are in the forefront, the others have to pick up. You cannot stay and wait or you will be passed." □

Elena Bowes in London contributed to this story.

In Japan, Detroit dares to compare

By Mary Ann Maskery

Writing from Tokyo

U.S. automakers are trying to change the popular image of their automobiles here by using imported marketing tactics.

Comparative advertising, which General Motors Corp. is trying, historically hasn't gone over well in this country. Direct mail, a cornerstone of Chrysler Corp.'s plan, is expensive and difficult. And new-car showrooms were practically unknown until Ford Motor Co. and Mazda Motor Corp. started using them about a decade ago.

Comparison ads have been legal here since 1986, but GM is the first company to fully exploit the tactic. GM recently unveiled a new print ad from McCann-Erickson Hakuhodo that specifically compares the size, fuel efficiency, quality and price of Cadillac Seville STS with Nissan Motor Corp.'s Infiniti Q45.

"We have felt for a long time there are major misconceptions in Japan about American cars. We want to dispel them," says Jim Steinhagen, VP for General Motors Japan. GM is trying to change the image of American cars as big, expensive gas-guzzlers with inferior quality.

On the surface, the GM campaign is risky. Popular wisdom suggests Japanese consumers have never accepted comparative ads.

"I don't think comparison advertising will increase in Japan because it does not fit the Japanese culture and will not be accepted," says a Hakuhodo agency spokesman.

Yet two previous brushes with the technique suggest it could find some success.

Last May, Pepsi-Cola Co. pulled a TV commercial featuring rap star Hammer that showed a can of Coca-Cola after four Tokyo stations refused to continue running it. In August, two stations resumed play with the cans inked out and an audio reference to Coke bleeped.

Nissan Motor Sales broached the edge of discretion in 1988, when then-President Yutaka Kume named Honda's Prelude as the target for his company's Silvia coupe. Though Mr. Kume's comments at a press introduction were never part of advertising, they were criticized in the press.

Silvia sales overtook Prelude sales seven months after the car was introduced, but Nissan hasn't repeated any such similar move.

The new GM campaign has drawn widespread news coverage, but it's too early to determine how consumers here will react to it.

Yoshikazu Iino, deputy manager for PR at Yanase & Co., GM's distributor, says there has been no negative comment to date. And Hiroshi Kurebayashi, a manager at the Dentsu ad agency, which handles Ford Motor Co., says the GM ad "is done in a reserved tone and will be accepted favorably."

> "Comparison advertising . . . does not fit the Japanese culture."

Chrysler Japan Sales, which handles most Chrysler business in Japan with agencies Saatchi & Saatchi Advertising K.K. for Jeep and Bozell Meitsu for Chrysler passenger cars, is using another tactic that's not so controversial as it is difficult.

The marketer isn't running any TV commercials because of the high cost, says Izumi Kato, member of the liaison division for Chrysler Japan Sales, but it's supplementing its print advertising with direct mail.

"The direct mail concept is just beginning in Japan," GM's Mr. Steinhagen says, because many Japanese have a concern for privacy, making it difficult to compile an effective list.

Detroit's Big 3 have made major efforts to expand sales in Japan. GM sales grew 8.8% to 9,261 units in 1991, despite a 10.7% falloff in the import segment during the same period. Ford sold 2,959 imported units, down 50.9%, and Chrysler sold 1,491 cars and Cherokees, up 4.1%.

Ford executives applaud GM's approach. "We think [the campaign] is a very good thing to improve the image of American cars," says Hiroo Tanabe, manager of external affairs for the Ford importer.

Ford has made its own effort to make a dent in the popular image of American cars. Last year, it invited several Japanese journalists to the U.S. for a 1,000-mile test drive from Dearborn, Mich., to Atlanta.

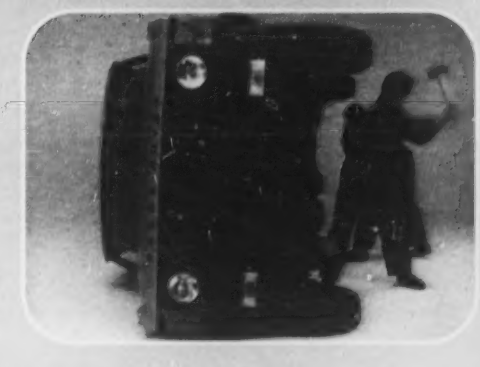
The resulting articles in Japanese car-enthusiast magazines were somewhat critical, says Mr. Tanabe. "But, overall, it was successful. At least they saw the vehicles as they are."

Ford Japan is discussing further ways to promote sales with Autorama, the sales channel jointly owned with Mazda that was set up to sell Ford imports and Ford-badged vehicles built by Mazda. Autorama introduced the concept of showroom sales to Japan when it was formed 10 years ago. □

GALLERY

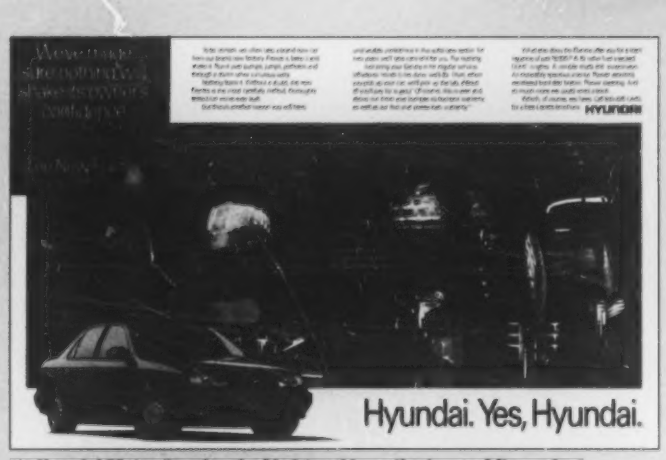
Quality, safety, durability and dash of style bring '92 advertising into focus

◀ Jeep claims the top of the mountain in a wry spot created for the Chrysler Corp. brand by Campbell-Mithun-Esty, Southfield, Mich. Ad executives for an unnamed auto company meet on a mountain with a TV commercial director to discuss a shoot that will demonstrate their product is as good as a Jeep. They solve the problem of how to get their vehicle to the top by agreeing to airlift it by helicopter. The executives then climb into Jeep vehicles to get down from the mountain, as one says, "This is going to be a great commercial."



Range Rover of North America's "Sledgehammer" TV spot for Land Rover stands out in a crowd. The commercial, created by Grace & Rothschild, New York, is set to "The Anvil Chorus" from Wagner's "Tannhauser." Two coverall-clad men use sledgehammers to pound on the underside of a Land Rover that's lying on its side, without damaging the vehicle. Voice-over then says, "Before investing in a luxury car, may we suggest you do slightly more than kick the tires." ▶

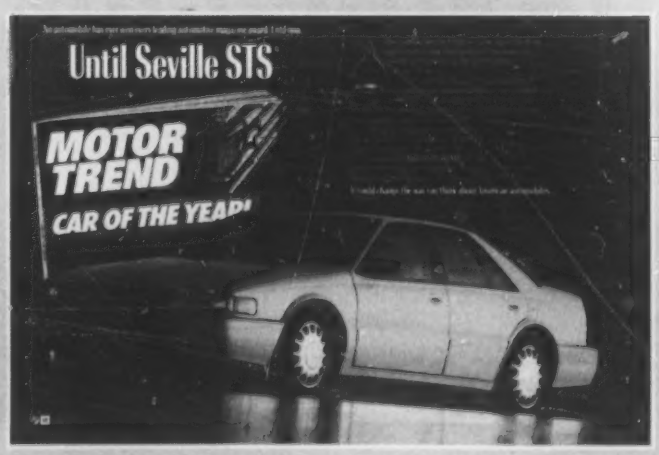
▲ Volkswagen of America broke new marketing ground with its "Payment Protection Plus" program for buyers of VW vehicles. The campaign sparked interest from recession-weary consumers after it was announced in January via TV spots and newspaper ads. Under the program, VW has offered to make up to 12 months of car payments for buyers who are later laid off from their jobs. Monthly payments, plus car insurance, will be paid up to $500. The strategy, developed by VW and DDB Needham Worldwide, Troy, Mich., was meant to restore consumer confidence.



▲ Hyundai Motor America decided to address the issue of its product quality during the introduction last fall of the Elantra subcompact sedan. This ad focuses on vehicle testing by Hyundai; a similar TV spot features the Jerry Lee Lewis classic "Whole Lotta Shakin' Goin' On." The ad also introduces Hyundai's ValueCare ownership program, in which all scheduled maintenance for two years or 24,000 miles is free. "About all you pay for is gas," the ad says. Backer Spielvogel Bates, Irvine, Calif., handles the account.

At Chrysler, air bags are only part of the safety picture.
ADVANTAGE: CHRYSLER
CHRYSLER PLYMOUTH DODGE DODGE TRUCKS JEEP EAGLE

◀ Chrysler Corp. staked out a position as a leader in safety, and now it's trying to expand that image by emphasizing a variety of vehicle safety features. The company was the first to offer an integrated child seat, beginning with its 1992 minivans, one of the items featured in this print ad. Bozell, New York, handles Chrysler corporate advertising.



◀ Cadillac's 1992 Seville and Eldorado advertising helped break down baby-boomer resistance to domestic cars. The General Motors Corp. division is capitalizing on press praise, such as being named car of the year by Peterson Publishing Co.'s *Motor Trend*. Such endorsements are important to skeptical baby boomers, according to marketing executives at Cadillac and its agency, D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.

For the 1992 model year, Ford Motor Co.'s Ford Division freshened up its nine-year-old theme line "Have you driven a Ford lately?" with new music and lyrics, still sung by vocalist Kacey Cisyk. A 90-second spot that launched the new style featured emotionally evocative visuals of Americans. J. Walter Thompson USA, Detroit, handles Ford. ▶

Super Bowl not so super

Viewership fell during commercials, study shows

By Joe Mandese

The Super Bowl might not be as strong an ad buy as game ratings indicate.

While CBS' coverage of Super Bowl XXVI delivered impressive ratings, new a Lintas:USA analysis of Nielsen Media Research data found wide fluctuations in audience levels.

"A clear pattern emerges: Commercial ratings are lower than program ratings," Lintas reported.

The agency estimated audiences during commercial breaks were 4% lower on average than audiences watching the game.

The largest gap came during the game's fourth quarter, with a 2.8 rating-point difference between program and commercial audiences. The narrowest gap was during the first quarter, a 0.4 rating-point difference.

"We have a great deal of concern regarding these differences," the Lintas report said. "They appear slight . . . but reflect a great number of commercial impressions not delivered."

MEDIA WORKS

In the national telephone survey of 500 adults conducted during the week after the Super Bowl, 64% said they watched at least part of the game. About 74% of those respondents said they watched at home; 24% at a friend's; and 2% at a bar, restaurant or hotel.

The study also confirmed the impact Fox Broadcasting Co.'s halftime counterprogramming had on CBS' halftime ratings (AA, March 2). Fox's live episode of "In Living Color" captured the "entire 15 share points lost by CBS" during its halftime coverage, Lintas reported.

Also, a significant portion of viewers tuned to CBS' halftime show weren't actually watching it, Lintas' survey found.

Only a third of respondents tuned to the halftime show were in the room and paying attention, giving CBS a 14 rating for commercial-attentive adults. The network's ratings average for the game was 40.3.

Lintas expects Fox and possibly others to repeat the grab for the halftime audience. □

Clutter suffers zap attacks

NEW YORK—Bozell has developed a model to determine the impact of increased TV clutter on channel switching.

A 10% increase in prime-time clutter spurs a 7% increase in channel switching on the Big 3 networks, Bozell reported. The model uses 1990 data from Nielsen Media Research and the Association of National Advertisers and American Association of Advertising Agencies' Commercial Monitoring Report.

Bozell is using a proprietary report with 1991 data for upfront negotiations.

Clutter is all non-programming time, including commercials, public service announcements, station identifications and promotions, and program credits.

The 10% increase in clutter didn't boost channel switching as much on independent stations and Fox Broadcasting Co., but prompted even more switching on cable networks.

While 10% is an arbitrary number for the model, John McSherry, senior VP-director of corporate media resources, said it's about the same level the Big 3 increased prime-time clutter in the year ended Nov. 30, 1991.

Existing non-programming time per hour averages 12 minutes, 35 seconds on the Big 3; 13 minutes, 50 seconds on five cable networks; 14 minutes, 16 seconds on Fox; and 14 minutes, 33 seconds on independent stations.

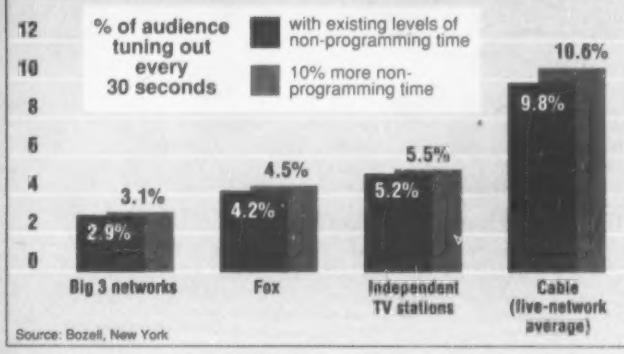
The projected switching levels show a best-case scenario; actual switching is probably higher, Mr. McSherry said.

Nielsen this month released new data on channel switching. Among its findings:

- Channel switching varies by daypart and demographic, with weekend sports highest and early morning lowest.
- Men switch more than women.
- Younger viewers switch more than older ones.
- Longer programs have the greatest channel switching; shorter programs have the least. □

Ad clutter spurs channel switching

Viewers are increasingly likely to change channels as clutter grows. With a 10% boost in non-programming time, channel switching jumps an average of 7% for broadcast and cable TV, according to a model using Nielsen Media Research data and the Commercial Monitoring Report from the Association of National Advertisers and American Association of Advertising Agencies.



Source: Bozell, New York

KIMBERLY MART

MEDIA MIX

News briefs on print, electronic and alternative media.

***Worth* more.** *Worth*, New York, will increase its rate base 25% to 250,000 with the August/September issue, its fourth. Ad rates will rise 25% to $9,625 for a b&w page, $14,375 for color. The April/May issue of the personal finance magazine carries 70 ad pages.

Kids guaranteed. While problems persist over Nielsen Media Research's measurement of children's TV viewing, it appears most upfront kids programming buys will get audience guarantees. Fox Broadcasting Co. recently concluded about $100 million in 1992-93 upfront kids deals, with firm guarantees for specific demographic groups. Most cable and syndication companies also are giving firm guarantees. And while many buyers had expected ABC to try to scrap the guarantees, network VP-Daytime Sales John Shanley said ABC probably will give guarantees when kids upfront sales start next month. "If everyone else is giving guarantees, we will too," he said.

Nickelodeon goes to press. Nickelodeon, New York, in March 1993 plans to launch an ad-supported magazine targeting 8-to-12-year-olds. The cable TV network said the magazine will "take the channel's exuberant attitude and irreverence" and will have a "slightly off-center perspective." The 10-times-yearly title will be distributed through newsstands and subscriptions; it won't be part of Nickelodeon's multimedia packages. Ad rates and rate base haven't been set.

Cooking up a spin-off. Rodale Press' *Prevention* distributed to newsstands 300,000 copies of its March test issue of *Prevention's Quick & Healthy Cooking*, a digest-size spinoff of the health magazine. A second issue will be published in September with newsstand distribution of 400,000. A color page is $5,000. Emmaus, Pa.-based Rodale plans to publish the recipe title as a quarterly starting next year.

***Seventeen* goes to college.** K-II Magazines' *Seventeen* will launch with its June issue a college column designed to strengthen its positioning as a bridge book between teen and young women's magazines. Publisher Janice Grossman said the monthly reaches 2.5 million women 18 to 24. She said other projects, including a broadcast venture and more editorial additions, are planned. □

Joe Mandese coordinates MediaWorks.

THE PRINTED WORD

Gay and lesbian publications have made inroads with national advertisers, but hope to attract more.

Gay titles chase mainstream ads

By Janice Kelly

Advertising and circulation performance of publications

Gay publications are increasing their bid for national advertising from mainstream marketers.

Titles targeting gay and lesbian readers have traditionally relied on sexually oriented advertising, but a handful of mainstream marketers have been regular advertisers there, too.

Now, a new crop of publications, including *BLK* and *Genre*, are attracting new national advertisers such as Carillon Importers' Absolut vodka and Columbia House records, while turning down sexually explicit ads.

Still, many advertisers are reluctant to use gay publications, said Doug Alligood, VP-special markets for BBDO Worldwide, New York.

"The gay press is cutting out sex ads to make the titles more appealing to mainstream marketers," he said. "They got away from offending mainstream sensibilities; that had to happen before advertisers could take the medium seriously. But mainstream advertisers are now wondering who will be the first to advertise in these magazines."

"Mainstream advertisers are now wondering who will be the first to advertise."

Still, "advertisers can't ignore the growing market," said Michael Gravois, president of Rivendell Marketing, Plainfield, N.J., which represents 175 lesbian and gay publications. "The gay press is receiving a lot more support from Madison Avenue because the idea and word 'gay' are becoming more visible."

Twenty-two gay and lesbian magazines were introduced last year, according to Samir Husni's Guide to New Magazines. At least two national gay magazines are slated to make their debut this year. New York-based *Out*, which bills itself as "a gay and lesbian *Mirabella* or *Esquire* with a little bit of gay and lesbian *Cosmopolitan* thrown in," will appear in June. Los Angeles-based *Puhleeze!*, a gay humor magazine, hits newsstands in May.

Here's how some of the top titles are performing:

- **Genre**, Los Angeles (Genre Publishing): The national lifestyle magazine celebrates its first anniversary with the April/May issue, when it will step up publication to every other month from quarterly. *Genre* targets men, describing itself as a cross between *Esquire* and *GQ*. About 75% of ad pages are from national advertisers.

1991 ad pages: 126. **Circulation:** 100,000. **Ad rates:** b&w page: $3,780; color page: $4,600.

- **The Advocate**, Los Angeles (Liberation Publications): The 25-year-old every-other-weekly is the dominant national title, carrying 147.91 pages of national advertising last year, up 103% from 1990. *The Advocate* plans to switch to glossy paper with its June 5 issue.

1991 ad pages: 2,107.22. **Circulation:** 75,000 paid. **Ad rates:** b&w page: $1,830; color page: $3,161.

- **NYQ**, New York (NYQ Publishing): The gay and lesbian general newsweekly is testing national subscription for a possible roll-out; 30% of its subscription base is scattered across the U.S.

1991 ad pages: 211. **Circulation:** 15,000. **Ad rates:** b&w page: $650; color page: $1,350.

- **BLK**, Los Angeles (BLK Publishing Co.): This monthly news magazine targets the black gay community. Editorial includes features, news, reviews of the arts and coverage of politics and health. Attracting advertising has been a problem, so the publication relies on volunteer labor to meet its budget. *BLK* shifted to paid circulation of 11,000 from controlled circulation of 37,000.

1991 ad pages: 360. **Circulation:** 11,000. **Ad rates:** b&w page: $475; color page: $875. □

Stoli budget boost aimed at Absolut

By Gary Levin

PepsiCo Wines & Spirits will double spending behind Stolichnaya vodka this year in a bid to match the ubiquitous advertising for Carillon Importers' leading import Absolut.

The company will spend about $14 million in 1992, expanding both frequency and media schedule by adding more magazines and more back-cover placements, as well as outdoor and transit advertising.

PepsiCo Wines & Spirits hopes to fund the spending increase with what it says is the U.S. government's imminent award of a most-favored-nation trading status with Russia. That would eliminate an average $1.25-per-bottle penalty tax on Russian vodka imports.

"It will enable us to grow Stoli faster [because] we'll be able to promote it more heavily," said Gary Matthews, VP-marketing at PepsiCo Wines & Spirits.

Tagline for the brand's current campaign is "the Russian phenomenon. Calet, Hirsch & Spector, New York, is the agency.

The budget increase "should firm up the brand in '92," said Frank Walters, director of research for *Impact*, an industry publication.

Absolut spends about $25 million a year through TBWA, mostly in magazines.

Stoli is hiking ad spending to rival leading import Absolut.

Separately, Pepsico Wines & Spirits last week broke a whimsical print and outdoor campaign for Priviet vodka in its Boston, Chicago and Dallas test markets. Ads tout the "amazing Russian vodka's" ability to "change color when mixed with fruit juices" and to "take on the shape of any glass."

Impact figures show No. 2 Stoli's sales fell 10% last year, while Absolut held steady, Heublein's No. 3 Finlandia rose 4.6% and Schieffelin & Somerset Co.'s Tanqueray Sterling dropped 22%. Stoli sold 1.03 million cases in the U.S. □

Top-selling liquor brands

Domestic depletions of brands selling more than 1 million cases. Units in thousands of 9-liter cases.

1991	1990	Brand	Company	1990	Market share	1991	Market share	% chg
1	1	Bacardi	Bacardi Imports	7,903	4.8%	7,115	4.6%	−10.0
2	2	Smirnoff	Heublein Inc. (IDV/GM)	6,264	3.8%	5,844	3.7%	−7.0
3	6	Seagram's gin	Seagram Co.	3,900	2.4%	4,100	2.6%	5.1
4	4	7 Crown	Seagram Co.	4,150	2.5%	3,900	2.5%	−6.0
5	5	Bacardi Breezer	Bacardi Imports	3,945	2.4%	3,880	2.5%	−1.6
6	7	Jim Beam	James Beam (AB)	3,760	2.3%	3,610	2.3%	−4.0
7	3	Popov	Heublein Inc. (IDV/GM)	3,627	2.2%	3,543	2.3%	−2.3
8	9	Jack Daniel's	Brown-Forman Corp.	3,391	2.1%	3,301	2.1%	−2.7
9	8	Canadian Mist	Brown-Forman Corp.	3,420	2.1%	3,173	2.0%	−7.2
10	10	Absolut	Carillon Importers (IDV/GM)	2,730	1.7%	2,800	1.8%	2.6
11	11	Canadian Club	Hiram Walker (AL)	2,365	1.4%	2,355	1.5%	−0.4
12	12	V.O.	Seagram Co.	2,350	1.4%	2,330	1.5%	−0.9
13	14	Gordon's gin	Schenley (G)	2,325	1.4%	2,250	1.4%	−3.2
14	12	Gallo brandy	E&J Gallo	2,350	1.4%	2,200	1.4%	−6.4
14	15	Gordon's vodka	Schenley (G)	2,300	1.4%	2,200	1.4%	−4.3
15	16	Dewar's	Schenley (G)	2,215	1.4%	2,000	1.3%	−9.7
16	13	Jose Cuervo	Heublein Inc. (IDV/GM)	1,922	1.2%	1,974	1.3%	2.7
17	17	Windsor Supreme	James Beam (AB)	2,055	1.3%	1,950	1.2%	−5.1
18	18	Black Velvet	Heublein Inc. (IDV/GM)	2,003	1.2%	1,903	1.2%	−5.0
19	19	Kahlua	Hiram Walker (AL)	1,760	1.1%	1,760	1.1%	—
20	20	J&B Rare	Paddington (IDV/GM)	1,750	1.1%	1,750	1.1%	—
21	22	Crown Royal	Seagram Co.	1,530	0.9%	1,530	1.0%	—
22	26	Ancient Age	Ancient Age	1,360	0.8%	1,400	0.9%	2.9
23	21	Kamchatka	James Beam (AB)/Heublein*	1,553	0.9%	1,385	0.9%	−10.8
24	28	Gilbey's vodka	James Beam (AB)	1,300	0.8%	1,340	0.9%	3.1
25	25	Early Times	Brown-Forman Corp.	1,383	0.8%	1,318	0.8%	−4.7
26	24	Tanqueray	Schiefflin & Somerset	1,392	0.9%	1,250	0.8%	−10.2
27	27	Southern Comfort	Brown-Forman Corp.	1,349	0.8%	1,217	0.8%	−9.8
28	33	Christian Bros. brandy	Heublein	1,145	0.7%	1,213	0.8%	5.9
29	29	Skol	Glenmore Distillers	1,200	0.7%	1,200	0.8%	—
30	23	Kessler	James Beam (AB)	1,500	0.9%	1,180	0.8%	−21.3
30	30	Gilbey's gin	James Beam (AB)	1,200	0.7%	1,180	0.8%	−1.7
31	31	Stolichnaya	Monsieur Henri (PepsiCo)	1,170	0.7%	1,115	0.7%	−4.7
32	32	Lord Calvert	James Beam (AB)	1,150	0.7%	1,020	0.7%	−11.3
33	34	Johnnie Walker Red	Schiefflin & Somerset	1,085	0.7%	1,000	0.6%	−7.8
34	36	Wolfschmidt	James Beam (AB)	1,000	0.6%	970	0.6%	−3.0
35	35	Bailey's Irish Cream	Paddington (IDV/GM)	1,010	0.6%	920	0.6%	−8.9

*Kamchatka vodka shows combined sales, with James Beam (AB) accounting for 1,010,000 cases and 940,000 cases in 1990 and 1991 respectively, and Heublein accounting for 543,000 cases and 445,000 cases in 1990 and 1991 respectively. Key to parent corporations: **(AB)** American Brands; **(IDV/GM)** IDV/Grand Metropolitan; **(G)** Guinness; **(AL)** Allied Lyon. Source: John C. Maxwell Jr.

Liquor sales drop 4% in '91

By John C. Maxwell Jr.

MAXWELL REPORT

In a year hard hit by recession, the liquor industry declined an estimated 4% to 4.5% in 1991. However, some of this decline relates to inventory-building in 1990 in anticipation of federal excise tax increases, and subsequent liquidation in 1991.

Other problems hampering growth included state tax increases, the war in the Middle East, industry consolidation, the health and fitness movement and a general consumer resistance to price increases.

All industry categories declined in volume last year. Brown goods again turned in a weaker performance than white goods. The whiskey category declined an estimated 6.3%, primarily due to the drop in scotch sales. Brandy showed an estimated decline of 7.8%.

The No. 1 brand remained Bacardi Imports' Bacardi with 4.6% share of market, topping the 3.7% of Heublein's Smirnoff brand. House of Seagram's Seagram's gin, one of the few to gain sales in 1991, moved to third place from sixth in 1990.

Jim Beam Brands Co. took over the No. 1 position among liquor companies from Heublein, helped in large part by the acquisition of seven brands from Seagram. □

Mr. Maxwell is an analyst with Wheat, First Securities, Richmond, Va.

Phillips Petroleum brings back 'performance company' tag

BARTLESVILLE, Okla.—Phillips Petroleum Co. is returning to its "The performance company" tagline, not used since the mid-1980s.

The tag replaces "Good things for cars and the people who drive them" and is being used in cable TV spots that broke this month. The commercials from Tracy-Locke, Dallas, spotlight product development, education and protection of the environment. Magazine and newspaper advertising will also support.

Texas Rangers baseball star Nolan Ryan will pitch Phillips 66 Co. gasoline in two 15-second TV spots set to break May 9 in the Dallas-Fort Worth area. Eight 15-second retail gasoline spots support in other markets.

Ad spending in 1992 is expected to be flat. Phillips spent $8.8 million in the first nine months of 1991, according to LNA/Arbitron Multi-Media Service. □

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Area sports cable scores ad deals

By Alison Fahey

Regional sports cable TV networks are looking to make big gains in the ad sales game this year as they adopt more sophisticated marketing techniques.

Several are now trying to lure advertisers with customized promotional and value-added sponsorship packages not unlike those offered by ESPN.

Prime Ticket Network, a regional network serving about 4.2 million subscribers in southern California, Arizona, Nevada and Hawaii, recently signed John Paul Mitchell Systems to a $1 million, two-year package deal.

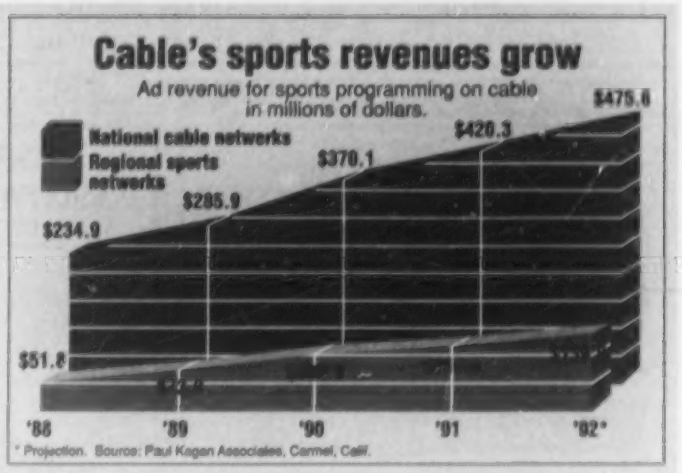
The agreement calls for the haircare product marketer to sponsor some programs and help underwrite others, in addition to regular ad time.

The deal is indicative of the network's new philosophy of seeking out "advertising partners" rather than simply selling marketers the traditional 30-second spot, said Don Corsini, Prime Ticket's exec VP-programming and production.

"Packaging programming with sales allows us to tap marketing and promotional dollars that weren't in the marketplace," Mr. Corsini said.

The John Paul Mitchell deal is the biggest one completed by Prime Ticket's sports marketing division, a new unit designed to create value-added marketing opportunities.

Madison Square Garden Network, the largest regional sports network, reaching 4.6 million homes in some Northeastern markets, started selling packages about a year ago. Some of the deals struck include arena signage, event sponsorships, TV time on the cable network and merchandising opportunities.



John Hall

Advertisers that have bought packages include American Express Travel Related Services Co., General Motors Corp.'s Chevrolet Division, 7-Eleven Stores and Benjamin Moore & Co.

"Our relationship with our advertisers has never been better," said Douglas Moss, former head of ad sales at the cable network, who last week was named president.

With increasing ad sales effort and the local marketing edge, regional networks are poised for ad sales growth in 1992, industry observers say.

"I think they are one of the most, if not the most, important programming [venues] locally," said John Mansell, senior analyst at Paul Kagan Associates.

For 1992, Kagan projects ad revenue on regional sports networks to grow 18.7% to $139.6 million.

Last year, the 27 regional sports networks tracked by Kagan combined generated $117.6 million in ad revenue, a healthy 14.3% increase over 1990. □

Petersen mulls new titles

By Bradley Johnson

LOS ANGELES—When Robert Petersen turned 65 last fall, he didn't collect a gold watch. He already owns a Rolex, thank you. The founder, chairman and sole shareholder of Petersen Publishing Co. has no plans to leave, nor is he worrying much about succession.

Petersen

"I don't intend to go," he said with a chuckle.

In fact, the publisher of 15 monthly specialty titles—including *Motor Trend, Guns & Ammo* and *'Teen*—and three dozen every-other-monthlies and annuals is looking to the future after a down year in 1991.

In a wide-ranging interview in his Sunset Strip office, Mr. Petersen spoke about a publishing rebound, plans for new titles and whether there's a difference between *Motor Trend's* Car of the Year and advertiser of the year.

"The adversity in publishing that we're having now is bad and good," he said. "A lot of people that are in the business are going to go out, and I think it's going to be better for the people that are left. You'll see a cleaning out of books. Then I'll be ready to launch some new ones."

Mr. Petersen said he's reached no final decisions on new magazines.

"We've got two or three [fields] we're looking at," including general-interest men's magazines, bicycling and a *'Teen* spinoff, he said. "We could launch a new magazine this year. We're looking at some starts or possibly purchasing some."

The company in the mid-'70s folded an acquired general-interest men's title, *True*, but Mr. Petersen said the crowded market still has room for "the right magazine."

Mr. Petersen started the company with *Hot Rod* in 1948 after being fired as a Metro-Goldwyn-Mayer publicist, and he still relies largely on gut instinct in picking new titles. Like many of his readers, he's an avid sportsman and car enthusiast, though on a grander scale. His lobby is decked out with a 12-foot stuffed polar bear he bagged with a revolver, and he commutes to work in a bright red Bentley.

Petersen Publishing blossomed in the magazine boom of the '80s, with its ad pages growing 45% to 11,352 from 1981 to 1991. Reported ad revenues for that decade nearly tripled to $138.5 million, and circulation revenues grew threefold to $147.5 million.

The company came close to holding its own last year despite the recession. Ad pages fell 4.5% from the record 1990 level, while ad revenues dipped 1.5%. Two marginal titles, *Petersen's Fishing* and *Hot Truck*, closed.

Mr. Petersen anticipates a small, single-digit increase this year in ad pages, putting Petersen Publishing back where it was two years ago.

He hotly defended the editorial integrity of *Motor Trend's* Car of the Year award. The winning car marketer usually promotes the award heavily, and some outsiders and competing magazines periodically allege the award is influenced by advertisers.

"We do it by the numbers, and we do it with everybody looking on," he said. Competing magazines "don't like us having a car recognize us and us recognize a car, but I think it's a damn good promotion, a damn good test."

Mr. Petersen is the only Petersen at Petersen Publishing; his two sons died in a plane accident in the 1970s. The question of succession is unanswered, and Mr. Petersen said he has no interest in selling the company.

"Why would I sell it?" he said. "I don't need any money. We don't owe any money. We don't have any problems. That's a good way to be." □

Mideast satellite TV has strong start

By Stephen Downer

LONDON—After seven months on the air, the Middle East Broadcasting Center, the first international satellite TV service in Arabic, is airing about 12 minutes of advertising each evening and well on its way to breaking even in 1994.

Its potential audience consists of 5 million Arabic speakers in Western Europe and 100 million from Morocco to the borders of Iran and Pakistan.

As of early March, orders for some 150 commercials had been submitted through U.K. ad representative International Publicity Services, said Nick Pearse, managing director of the ad rep company.

Advertisers have included auto marketers Toyota Motor Corp., BMW and Ford Motor Co.; oil companies Mobil Oil Co. and Castrol; soft-drink marketer Coca-Cola Middle East; and toiletries giant Gillette Co., promoting its Sensor razor.

The network claims to have attracted its first program sponsor, but Mr. Pearse wouldn't disclose the name.

The network emphasizes news, rounding out programming with movies, miniseries, cultural programs and network-produced magazine shows.

Programming doesn't include Western soap operas, "but there is Arabic light entertainment," said Bob Kennedy, deputy chief executive of Middle East Broadcasting, based in the network's London studios.

Broadcast time has risen to 12 from 6 hours a day since its launch last September.

The network won't air more than 11 minutes of ads per hour and no more than 3 minutes during a single break. A 30-second prime-time spot ranges from $750 up to $2,000 for the evening news.

GLOBAL NEWS

"What we are looking for is the advertising that can be considered pan-Arab," Mr. Kennedy said.

Research for the network has made it clear "there are many more pan-Arab than pan-European advertisers," he said.

The broadcaster says its goals are being met so far. "We set a target for the first year, and if we continue at the present rate, we will very soon hit it. I would guess we will exceed our first year's expectations," Mr. Kennedy said. He wouldn't elaborate on those expectations.

The broadcaster is owned by a consortium of Middle East entrepreneurs, including Walid al-Ibrahim, a brother-in-law of Saudi Arabian King Fahd. □

Keebler bites on new products

By Julie Liesse

Keebler Co. has hit the sweet spot.

Recently named the American Marketing Association's New Product Marketer of the Year, Keebler is unleashing a spring new-product barrage.

The cookies and cracker are telling retailers that three new products will get more than $50 million in support.

First off the bat is Toffee Toppers, a shortbread cookie with toffee bits, enrobed in chocolate and drizzled with toffee.

The new product will be promoted as part of a repackaging of Keebler's other chocolate-enrobed cookies under the new Fudge Shoppe umbrella name. A March 22 free standing insert introduced Toffee Toppers.

A second new cookie product is Sweet Spots, bite-size shortbread cookies each topped with a fudge drop. Sweet Spots is sold in single-serving packs of four cookies, with 18 servings in a box.

"This is a totally new kind of packaging for us—the convenience, lunch-bag type of package," said Keebler VP Stuart Greenblatt. "You'll see us doing even different things with Sweet Spots in convenience stores, too."

A TV campaign featuring the omnipresent Keebler Elves will break in April to introduce Sweet Spots; couponing and sampling will also support. Leo Burnett USA, Chicago, handles Keebler's consumer advertising account.

New Quangles is a multigrain salty chip directly aimed at Frito-Lay's SunChips, which racked up $100 million in sales last year. Quangles comes in two flavors, original and Monterey ranch. TV from Burnett, couponing and a broad sampling program will support the late spring launch. The round chips are being promoted as "a new angle on snacking."

Sweet Spots is a new cookie from the Keebler Elves.

Keebler hopes Quangles can build on its recent success in the salty snack market. The marketing association cited Keeblers' Pizzarias chips, which chalked up $75 million in first-year sales, and Munch'ems crackers, at $85 million, as two of the reasons the company was being honored.

"Keebler has developed a good sense at identifying trends and matching those trends with innovative new products," Mr. Greenblatt said. □